

INFORMATION, COMMUNICATION AND ORGANIZATIONAL CULTURE:
A GROUNDED THEORY APPROACH

By

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"Although the problem of effective communication is an old one, current trends are bringing to it a new sense of urgency. More and more it is becoming clear that any fundamental advance in social self-understanding must rest upon adequate inter-communication. In areas where effective and highly integrated social effort is required, the problem is particularly crucial."

(Bavelas, 1953, p.505).

"Rather than a lexicon I hope to provide photographs."

(Rohlen, 1974, p.4).

"[Our aim is to]...present theory that is 'grounded' - that is rooted in data, that grows inductively out of systematic investigation of how organisations behave. I am firmly convinced that the best route to more effective policy making is better knowledge in the mind of the practitioner of the world he or she actually faces. This means that I take my role as a researcher and writer to be the generation and dissemination of the best descriptive theory possible. I believe it is the job of the practitioner - line manager, staff analyst, consultant (including myself when in that role) - to prescribe, to find better approaches to policy making. In other words, I believe that the best description comes from the application of conceptual knowledge about a phenomenon in a specific and familiar context. To me, good descriptive theory in the right hands is a prescriptive tool, perhaps the most powerful one we have."

(Mintzberg, 1979, p.vi).

"If a group has had enough of a history to develop a culture, that culture will pervade everything."

(Schein, 1985, p.33).

ABSTRACT

This research is focused on information and communication phenomena within one industrial organisation. From its intellectual situation within the interpretive epistemological tradition the thesis seeks to demonstrate the utility of the case study approach combined with the style of qualitative analysis known as 'grounded theory' for scholars interested in furthering their understanding of the information dimension of complex organisations. More specifically, a preliminary examination of the data set in conjunction with a theoretical position which posited the socially and cognitive constructed nature of organisations quite naturally led to the case study material being interpreted through the prism of the cultural metaphor.

Chapter 1 provides an account of the methodological and research design principles, issues and assumptions on which this research has been predicated. Chapter 2 gives an overview of the data collected in the form of brief summaries of the central themes which have been used to analyse the case study organisation. The cultural perspective on organisations is then presented in Chapter 3. Acquaintance with the content of the cultural approach to complex organisations is required in order to facilitate the reader's understanding of Chapters 4-10 in which the data are examined and analysed.

Chapter 4 gives a short introduction to the case study organisation at which the research was conducted. Chapters 5-8 are detailed case study analyses of four of the organisation's principal subsidiaries. These are followed by a macro-organisational analysis which examines the cultural and information/communication profiles that have been developed for the subsidiaries within the total socio-organisational context. Chapter 9's emphasis on the core categories omits some important aspects of the organisation's culture (its strengths, weaknesses, the issue of control and its relative stability) which are dealt with in Chapter 10. Chapter 11 provides a description and analysis of a new product launch conducted by the organisation: the chapter seeks to evaluate the merits of using an approach which emphasises information/communication and cultural variables for the understanding and analysis of organisational behaviour.

Finally, Chapter 12 sets out some of the conclusions that can be drawn from this research project. It takes a critical look at the research design and methodology employed and introduces Kuhn's (1962) concept of a paradigm which is used as a descriptive and analytical tool for evaluating the cultural perspective. Some further conceptualisation of the cases and the new product launch is attempted and process models of complex organisations in general and organisational culture in particular are derived and explained. The inter-relation of information and communication phenomena and organisational culture is further elaborated first normatively in the form of typologies and second prescriptively in terms of the use value of culture for information and communication studies. The conclusions are then summarised and recommendations for further research are made.

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CHAPTER ONE

INTRODUCTION

1.1 Prolegomenon

This research focuses on information and communication phenomena within industrial organisations. The analytical perspective employed was provided by the vast and burgeoning literature on organisational culture. The thesis examines the complex, dynamic and inter-causal relationship between an organisation's information/communication dimension and its cultural proclivities. It attempts to understand how culture influences, shapes and conditions the social context in which communication takes place, and thus the nature of communication within an organisation. It also investigates the possibility that organisational decisions concerning information, the value attributed to it, the human and material resources devoted to seeking and analysing it, and the technology and systems used to facilitate these processes are culturally conditioned.

In addition, the thesis seeks to demonstrate how the case study approach combined with the style of qualitative analysis known as 'grounded theory' (Glaser & Strauss 1967; Glaser, 1976; Strauss, 1987) can be employed as utilitarian tools by scholars interested in furthering their understanding of the information dimension of complex organisations. The case study data were collected and the grounded theory methodology applied following an extensive review of the organisational theory and organisational behaviour literature. The use made of grounded theory was not 'pure' in the sense that concepts and theories discovered in the literature exerted a strong influence over the construction placed on the data obtained. In fact, with the generation of the core categories (i.e. the methodology-evincing central themes) it soon became clear that one approach to organisations, namely that emphasising culture, offered the most appropriate metaphorical framework for the further interpretation of the study. The decision was therefore taken to conduct a detailed

review of the corporate and organisational culture literature, and to use the cultural metaphor as a guide in writing up the thesis. The value of grounded theory for the elucidation of organisational cultures had first been suggested by Turner (1971) and Martin and Turner (1986).

In this first chapter the fundamental epistemological position on which this research is grounded and the methodological principles by which it was conducted are stated, and to some extent explored and justified. There is a brief consideration of the interpretive approach to social science, the value of and problems associated with case study projects, a note on research design, an assertion of methodological principles, a detailed overview of 'grounded theory' itself, and finally a few words on triangulation techniques. Given that, as Weick (1983) has stated, 'much organisational research is open to the charge that it is method-specific' (p.21) these introductory pages are a necessary prelude to the presentation and analysis of the data: for by rendering explicit the method to which the research is specific it is hoped both to facilitate the reader's understanding of the study and to demonstrate the efficacy of method-specific research of this kind.

1.2 Interpretive Social Science

The decision to opt for a research paradigm which emphasises the significance of subjective, inter-subjective and socially created meanings was made when grounded theory was chosen as the preferred research methodology. The choice of grounded theory was heavily influenced by the burgeoning number of authors in a range of disciplines who have used this style of analysis and commented on its value (see, for example, Trimble, Cherns, Jupp & Turner, 1972; Johnson, 1981; and Ellis, 1987). Martin and Turner (1986), for instance, have suggested that there are a number of advantages of using grounded theory in organisational research, notably its ability to produce a multi-faceted and dynamic picture of the whole system

which incorporates rather than ignores or simplifies the complexities of the organisational context.

Other researchers in the field have stressed the importance of adopting an explicitly interpretivist approach to the study of organisational (including information/ communication) phenomena. Thus Johnson (1977) and Putnam (1983) have argued that by treating organisations as the social construction of reality, organising becomes a process of communicating. Similarly, Hawes (1974) has maintained that communication is not just another organisational activity; it creates and recreates the social structures that form the crux of organising. The later decision to employ the concept and theory of culture to further the analysis of information and communication activities was also congruent with this broad approach. For example, Deetz (1982) considers that 'the conceptualisation of organisations as cultures is central to much of the interest in interpretive approaches to research' (p.132). These theoretical assertions, if accepted, provide a strong epistemological case for an interpretive approach to a cultural analysis of information/communication issues in organisations, as it can easily be used to focus attention on those issues which are of primary interest to us.

1.3 The Case Study Approach

The decision to opt for a case study approach was influenced by the choice of 'grounded theory' as the style of qualitative analysis that would be employed for the process of data interpretation. As Strauss (1987) asserts:

"...a case history can be very useful if brought into very close conjunction with grounded theory. Through it the researcher can depict a type, an average, an extreme, or an exemplary case."

(Strauss, 1987, p.221).

The theoretical vindication for this holistic approach was, however, provided by Yin (1984) and most especially Diesing (1971), who has demonstrated the 'pay-off' of case study methods as being the kind of practices and knowledge they make possible, be it in the form of greater organisational efficiency or the facilitation of cooperation in a complex interdependent situation: it gets at something real which other methods miss. Case study methods are thus valuable for the information they reveal about the internal mechanisms and dynamics of a system. These mechanisms and dynamics are:

"... conceived as psychological mechanisms of defence, integration, cognition, balance, perceptual structuring, symbolisation, and the like; or as social mechanisms like communication, commitment, persuasion, coercion, and inducement. The constraints do not take the logical form of necessary or probable implication but the normative one of expectations, obligations, commands, self-concepts and aspiration. Inputs do not take the form of initial parameter values, but appear rather as stresses, strains, problems, and opportunities, compatibilities and incompatibilities."

(Diesing, 1971, p.264).

In short, survey methods cannot match the richness of detail that can be achieved via case study methods, and are less well suited to the discovery of something completely new than measuring known and well understood phenomena. The case study approach is not, however, unproblematic. There are at least three basic difficulties:

- 1) one continuous problem for the holist is that of drawing the best boundaries around his subject matter: the demands of studying a full system and of studying that system in detail are quite obviously antagonistic. It is clear that the holist ideal of studying all the important aspects of a particular human whole is unattainable and that we must be satisfied with approximations.

- 2) the second problem is that of observer bias. As Diesing (1971, p.279) points out, every social scientist must perceive and interpret his subject matter from some standpoint, and every scientist must be active with his subject in some manner and will therefore change it even as he studies it, for 'even the act of singling somebody out for attention has an affect on him'.
- 3) third, there is concern that case studies provide little or no basis for scientific generalisation.

The first difficulty was a cause for concern for this study in that many potentially valuable (in the sense of data rich) respondents were not interviewed. Every effort was, though, made to nullify this problem by obtaining a good representative sample of the various job functions evident within the subject organisation. The problem of observer bias is not so easily neutralised; the experimenter cannot readily be assumed to have taken a detached view of his own biases. We may, however, question whether this is a substantive problem. The positivistic demand for investigator objectivity based on distance (spatial, social, intellectual or whatever) is a far from inviting alternative. As Weick (1983,p.21) has argued, 'all that distance seems to improve is ignorance'. In point of fact the grounded theory methods employed in this research crucially depended on the 'creative use of bias' (in the sense of preconceived beliefs, attitudes and expectations) to discover things that might otherwise remain undetected. There will of course always remain the possibility that at least some unjustified interpretation of events will find its way into the analysis, and to rectify this we can do little more than look to further investigations in this field to counter-balance our own failings (see also Section 1.6).

The claim that case studies are unsatisfactory because one cannot generalise from a single case is valid only in a narrow sense. As Yin (1984) points out:

"...case studies, like experiments, are generalisable to theoretical propositions and not populations or universes. In this sense, the case study, like the experiment, does not represent a 'sample', and the investigator's goal is to expand and generalise theories (analytic generalisation) and not to enumerate frequencies..."

(p.21)

The choice of the case study approach, the objective of this research and the choice of grounded theory as the method of data analysis are thus all intricately tied.

1.4 Research Design

Access to the subject company, hence forward referred to as 'the Group', was gained via a mailshot to the Chairman and Chief Executive followed up by a telephone conversation and a lengthy interview. In fact ten companies in the Sheffield and Rotherham region were initially short-listed from a local directory; of these five expressed an interest in the project, and of these the company chosen for research exemplified the most persistent enthusiasm. The case study was based on visits to six of the sites where the company had offices/factories. A two tier data collection methodology was operationalised.

First, 66 semi-structured interviews with a representative sample of managers and other individuals, including secretaries and line workers, were conducted at the Holdings Board and each of the principal subsidiaries (see Appendix 1). Nevertheless, it should be noted at the outset that the orientation of this research is heavily biased towards the managerial (and especially the senior managerial) perceptions of the organisation. These interviews were recorded on tapes of which 56 were transcribed before being subjected to analysis. The shortest interview lasted approximately 45 minutes and the longest more than three hours, with the average time duration being in excess

of 90 minutes. The interview schedule used was based on an extensive review of the relevant literature (see Appendix 2). While interviews are a useful tool for data collection they are highly intrusive and contrived events in which it is important to assess the role of the interviewer in constructing meanings and expectations. The decision to rely on semi-structured interviews despite their associated drawbacks and deficiencies was related to the choice of 'grounded theory' as the style of qualitative analysis chosen for data analysis which is considered in detail in section (1.5).

Some documentation concerning the Group including a company history, organisational charts and a few internal reports were also collected. The option of including as part of the data collection methodology either or both direct observation or participant observation was discarded as it was considered to be an 'unsafe' way of gaining an insightful appreciation into the cultural life of the organisation. The point is that actions are conditioned not only by beliefs and values but by the demands of the social and economic contexts within which individuals function. As Schein (1985) has remarked:

"...overt behaviour is always determined both by the cultural predisposition (the assumptions, perceptions, thoughts and feelings that are patterned) and by situational contingencies that arise from the external environment. Behavioural regularities could thus be as much a reflection of the environment as of the culture and should, therefore, not be a prime basis for defining the culture. Or to put it another way, when we observe behaviour regularities, we do not know whether we are dealing with a cultural artifact or not."

(Schein, 1985,p.9).

In contrast, semi-structured interviews offered a situational context in which the exigencies of the organisational and business environments were (generally) distanced from the respondents. Observation was thus limited to tours of the four factory sites.

Second, one major project was studied in detail, with special reference to Group culture, communication, and the use of information in the various decision making processes. Data collection was again accomplished through eighteen semi-structured interviews with the major participants, though this time several interviews with many of the respondents was found to be necessary given the wealth of data to be obtained. The data from these interviews was supplemented by every written document germane to the enquiry (including memos, reports, telex and fax messages, letters, a variety of notes, agency contact reports and so forth) that could be extricated by the researcher from the Group's and individuals' private information systems. Documents are messages that have a permanent structure (Johnson, 1977), and since organisational documents are prepared for the consumption of organisational members, they can be useful indicators of the internal rhetoric of the organisation (Bantz, 1983). Indeed, given that the documents are created by organisational members they grow out of the communicative process of organising (Cheney, 1983) and proved an interesting and valuable supplement to oral sources of information in the quest for organisational 'reality'.

1.5 Mode and Style of Analysis

An essentially qualitative mode of data explication has been utilised in this thesis for the interpretation of the research results. The particular 'style' chosen is 'grounded theory' as expounded by Glaser and Strauss (1967), Glaser (1978) and Strauss (1987). This approach to the interpretation of data seemed particularly attractive given the burgeoning number of authors in a range of disciplines who have used grounded theory to examine activities as diverse as hospital planning procedures (Trimble, Cherns, Jupp & Turner, 1972), the information seeking behaviour of academic social scientists (Ellis, 1987) and corporate growth (Johnson, 1981), and who have commented on its value. As the name suggests the grounded theory approach seeks to generate theoretical statements and, indeed, ultimately complex theories vindicated by the substratum of empirical evidence from which they have emerged. However, while the grounded theory perspective is

distinguished by 'an individual character' we should always remember that the methods it prescribes are by no means to be regarded as hard and fixed rules for converting data into effective theory. Rather, they constitute guidelines that help researchers in their enterprises.

According to Strauss (1987) it is important to remember that grounded theory is not supposed to be a specific method or technique but a particular style. This style is characterised by a number of distinct features, such as theoretical sampling, and certain methodological guidelines, such as the making of constant comparisons and the use of a coding programme. But whether one chooses to conceptualise these features and guidelines as a 'style', a 'method' or a 'technique' seems to be a matter of choice, not epistemological necessity. Glaser (1978, p.2) for instance, talks of 'the grounded theory method'; and, as we shall demonstrate, we can mould grounded theory into a fully fledged methodology replete with a method of analysis.

Strauss (1987) identifies eight assumptions which lie behind this approach to qualitative analysis:

- 1) a rich diversity of materials, ranging from interviews to census statistics provide valuable data for research into social issues;
- 2) that the methods so far developed for qualitatively analysing materials are lacking in sophistication, especially compared to methods for the quantitative analysis of data;
- 3) that there is a need for effective theory, framed at various levels of generality and founded on qualitative analysis of data;
- 4) theory which is not grounded in data is speculative and hence ineffective;

- 5) that the complexity of social phenomena necessitates complex grounded theory to describe and explain it, i.e. "conceptually dense theory that accounts for a great deal of variation in the phenomenon studied" (Strauss, 1987, p.1);
- 6) while the diversity of social settings, research projects and individual styles (etc.) militates against the formulation of a set of rules which govern qualitative analysis some rules of thumb and general guidelines which facilitate effective analysis can be drawn;
- 7) these guidelines may be of use to the researchers working on a multiplicity of disciplines across the social scientific spectrum and can be accommodated by a wide diversity of traditions and theoretical approaches;
- 8) finally, research is, fundamentally, work. This means that the development and use of qualitative analysis "can be enhanced by thinking specifically of analysis in terms of the organisation and conduct of that work" (Strauss, 1987, p.1/2).

The grounded theory approach to qualitative analysis is thus a means of generating scientific (empirically supported) theories. As all scientific theories require first of all that they be conceived, then elaborated, then checked out, so the three processes of induction (hypothesis formation), deduction (the drawing of implications from the initial hypothesis) and verification (confirmation/refutation of hypotheses and deductively derived implications) are all equally important in the formulation of grounded theory. These activities should not be thought of as a neat series of discrete steps, for all three processes go on throughout the research project. However, grounded theory refers not to the application of a simple formula but to a complex series of interlinking events and procedures, and it is to these that we now turn.

Nowhere in the writings of Glaser and Strauss is grounded theory concisely and unambiguously described. The first requirement for this research was, therefore, to distil the contours of grounded theory and represent it in a concise and composite diagrammatic form (see fig. 1). While figure 1 would not be approved of by Glaser and Strauss who eschew the systems approach, it is a contention of this thesis that the representation of grounded theory it (and the following analysis) provide are a useful contribution to the debate on this 'style' of qualitative analysis. Essentially, what this analysis does is to reinterpret the grounded theory style, transforming it into a fully-fledged methodology. It also provides the skeletal framework around which the data for this research project were collected and analysed (see Appendix 3 for a more detailed account).

Figure 1 indicates that the starting point for analysis is 'data collection', that is, the finding and gathering (or generating) of materials which the researcher will then analyse. Secondary input to the system which facilitates analysis is 'experiential data'. This refers to information contained in the memories of researchers which has been gleaned from past research, textbooks, etc. Analysts are encouraged to use their own experiential data as this can provide both added theoretical sensitivity and a wealth of provisional suggestions for making comparisons, finding variations, and sampling widely on theoretical grounds.

Qualitative analysis of the data according to the grounded theory method is based on a concept indicator model, which directs the conceptual coding of empirical indicators. The operation of the concept indicator model is relatively straightforward. The indicators are neutral data and the model concepts are derived from them. The modus operandi of the model is centred on the logic of comparison. Two levels of functioning can be detected: first, indicators are constantly compared with other indicators. Making comparisons forces the analyst to recognise similarities, differences and degrees of consistency of meaning between indicators. Where there is uniformity a coded category is derived. Second, indicators are also compared

GROUNDING THEORY (based on Strauss, 1987)

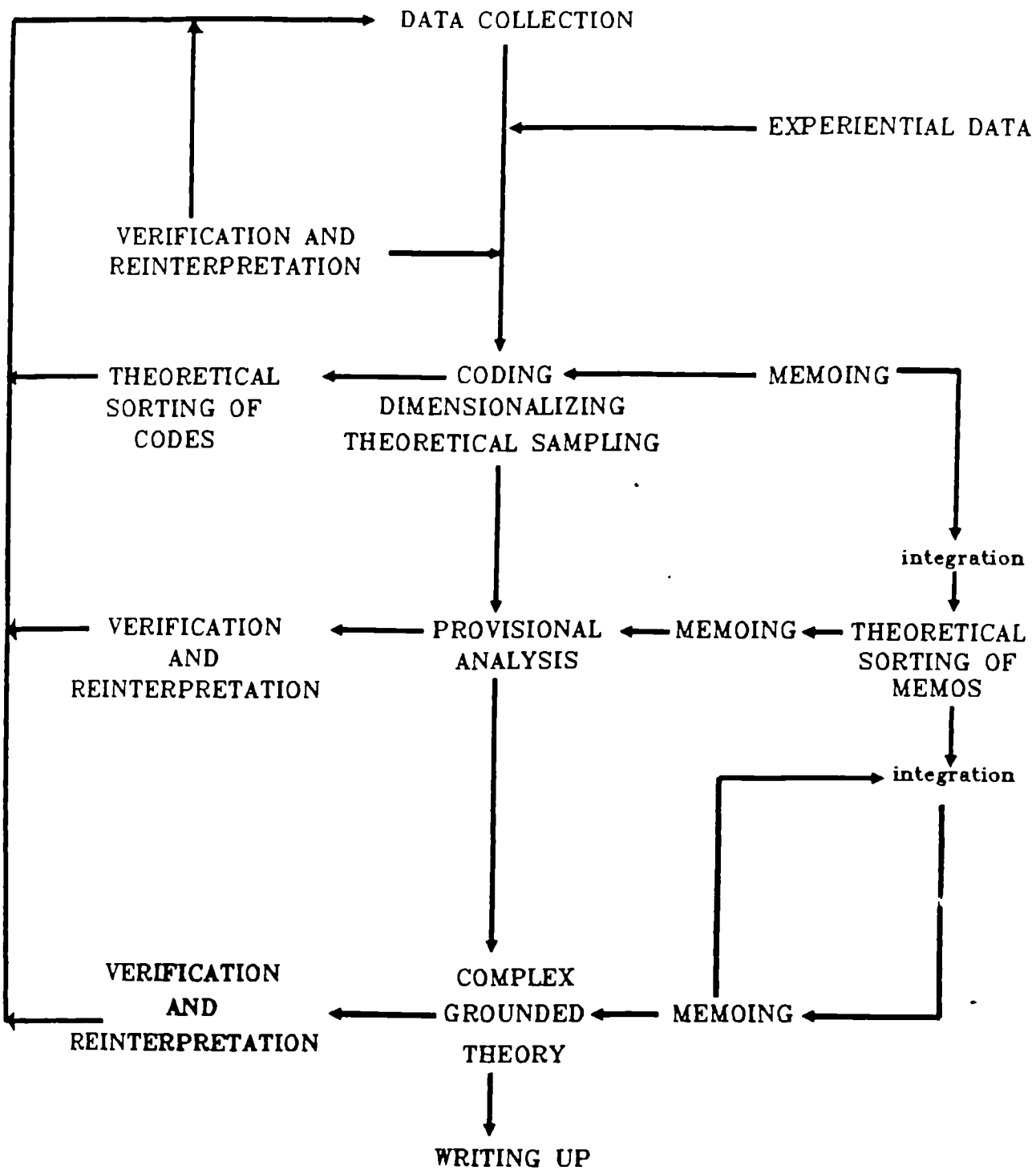


Fig.1

with the emergent concept which is thus more clearly focused and its content more distinctly explicated. This process of comparison and analysis is continued until codes have been derived which exhaust all the data.

'Coding' is the general term which Strauss gives to data conceptualisation and revolves around the concept indicator model. Coding is defined as including the raising of generative questions and giving provisional answers (hypotheses) about categories and about their relations and a code is described as the term for any product of the analysis. Coding involves a special 'coding paradigm' which leads to the discovery and naming of categories and sub-categories. The coding paradigm also functions as a reminder to code data for relevance to whatever phenomena are referenced by a given category, for the following:

- conditions
- interaction among the actors
- strategies and tactics
- consequences

The coding process involves a number of interrelated processes. Aside from various forms of comparison and discrimination the analyst must also indulge in theoretical sampling and the asking of generative questions. Theoretical sampling is a means whereby the analyst decides on 'analytic grounds' what data to collect next and where to find them. It is, in effect, a means of ensuring that the emerging theory controls the collection of data. Generative questions are an essential tool for making distinctions and comparisons; thinking about possible hypotheses, concepts, and relationships; sampling, and the like. Theoretical sampling and the raising of generative questions are thus both an integral part of coding.

We can distinguish three modes of coding: open, axial and selective. Open codes are generated either by scrutinising data word for word or by first gaining an impressionistic picture of what is in the data and

then extracting concepts from one's impressions. Either way the concepts formulated are initially highly tentative, though ultimately 'open coding' both verifies and saturates individual codes. Axial coding refers to the process of coding around a single category, and is in essence an essential part of the open coding. Finally, there is selective coding which pertains to coding systematically and concertedly for the core category. In addition to the three modes of coding we can recognise two types of code, in vivo and sociological. In vivo codes are those derived from the language of the field under investigation (especially from the language of the actors themselves), while sociological codes are those generated by the analyst.

As we have already seen the concept indicator model serves to construct categories from the data around which coding takes place. Some of these categories, called 'core categories', are of special importance for grounded theory. They have the prime function of integrating theory and rendering it dense and saturated as the relationships are discovered, and are thus instrumental in promoting theoretical completeness. There are six criteria for gauging whether a category should be considered as 'core': 1) it must be centrally related to many other categories; 2) the core category (or rather the indicators pointing to the phenomenon represented by it) must appear frequently; 3) the core category must relate easily to other categories; 4) it must have clear implications for a more general theory; 5) as the core category is explicated more fully the theory in which it plays a major role must become increasingly plausible; and 6) the core category must allow for maximum variation in the analysis.

The impact of coding is felt largely through memoing. Theoretical memos are writings in which questions, hypotheses and summaries of codes are elucidated. They are a method of keeping track of coding results and stimulating further coding, and also a major means for integrating the theory. Memos are spawned not merely by coding but by the sorting and examination of existing memos, which occurs at all stages of the research project. Constant recourse to 'old' data not

only ensures that theory is firmly grounded but helps direct the researcher in his future data collection activities.

So far we have seen how data collection, fed by experiential data, gives rise to codes largely as directed by the concept indicator model, which are refined and summarised in the theoretical memos. The result of this activity are provisional linkages between codes as conceptually dense theory begins to emerge. This stage is termed 'provisional analysis' on fig.1. This activity is accompanied by verification processes. These are nowhere clearly described by Strauss. However, we can surmise that what is involved is the provisional analysis being juxtaposed with the collected data and discrepancies between the two being neutralised as the provisional analysis is modified to 'fit' the data.

Verification feeds through to dimensionalising via any new memos which it may generate. Dimensionalising refers to a form of coding in which dimensions and sub-dimensions of the categories are generated. Dimensionalising is defined as a basic operation of making distinctions whose products are dimensions and sub-dimensions. Integration of the dimensions, distinctions, categories and linkages leads to the formulation of the core of the evolving theory.

As is evident from fig.1 data collection, coding and memoing all interrelate such that developments in one of these can impact on both the other activities. The result is that the facility (indeed the necessity) for the various procedures to be gone through more than once is built into the methodological framework. As Strauss (1987) says of the essential procedures for discovering, verifying and formulating grounded theory:

"These are in operation all through the research project and... go on in close relationship to each other, in quick sequence and often simultaneously."

(Strauss, 1987, p.23).

This element of reiteration is significant. The specification of a recursive mode of operation enhances its analytical standing by facilitating a deeper and more involved analysis, the ultimate resultant of which is complex (conceptually dense) grounded theory.

While grounded theory seeks to guarantee that theoretical statements are empirically valid it does not claim to offer a means of constructing objective theories to explain social phenomena. This is a vital point. Qualitative analyses of any aspect of social existence are artificial abstractions from a perceived reality, they are coloured by the methodological constraints under which the data has been derived and conditioned by the philosophical perspective under which the analysis has been formulated. Strauss (1987) is obviously not unaware of this when he asserts that:

"The researcher's will not be the only interpretation of the data (only God's interpretation can make the claim of 'full completeness') but it will be plausible, useful, and will allow its own further elaboration and verification."

(Strauss, 1987, p.11).

1.6 Triangulation

It has been argued (Weick, 1983) that communication research which relies on a single observation (such as a transcript) is meaningless. Weick believes that every datum becomes meaningful only when there is a relatum. In short, although the use of transcription evidence may seem obvious, sufficient and inevitable what has been said by respondents becomes data only when readers see what else could have been said but (because of personal bias, amnesia, lack of awareness etc.) was not. Triangulation techniques, whether of methods, theories, investigators or data sources offer solutions to this problem by providing the corroborative evidence (the relatum) required to measure and evaluate the quality of the proto-data and facilitate its use as data susceptible to analysis.

Given the constraints of time and the practical and theoretical difficulties (see section 1.4) involved with other methods of data collection, triangulation of methods (in the guise of participant observation, direct observation or diaries) were not considered viable. Nevertheless, a form of triangulation was employed in this research, namely that derived from the interviews having been conducted with a variety of respondents at different levels in the organisational hierarchy, at different times, and within different subsidiary companies situated in geographically diverse locations. This follows the description of data source triangulation given by Hammersley and Atkinson (1983):

"Data source triangulation involves the comparison of data relating to the same phenomenon but deriving from different phases of the fieldwork, different points in the temporal cycles occurring in the setting... the accounts of different participants (including the ethnographer's) involved in the setting."

(Hammersley & Atkinson 1983, p.198)

Clearly triangulation of this or any other type cannot serve as a guarantee to the quality of the transcripts or the theoretical statements that may be generated from them, though intuitively there is a good case for suggesting that data triangulation should reduce the likelihood of serious data distortions. All that can be claimed is that combined, data source triangulation and a methodology the essence of which is the logic of comparison may be thought to provide a sufficient theoretical platform on which to construct the edifice outlined in chapters 4 to 10.

1.7 A Critical Look at Research Design and Methods

In this section an attempt will be made to pre-empt some of the more obvious criticisms that might be levelled against the design and methods employed by this research. Three broad categories of problem are identified, elucidated and commented upon. First, the dangers of

focussing on information and communication are considered. Second, the extent to which the distinction between 'culture' on the one hand and 'information/communication' on the other, is an artificial and therefore possibly unjustified dichotomy. And third, the problems of conducting a grounded theory study of organisations are discussed in the light of the weaknesses that have been attributed to this style of qualitative analysis.

There are a number of specifically identifiable dangers involved with concentrating on information and communication issues. It could be argued that to take an information approach:

- 1) is to attribute undue significance to information phenomena. Obviously the adoption of an information approach per se does not necessarily imply the attribution of undue significance to information phenomena. Whether this research is sufficiently circumspect in its treatment of organisational and managerial behavioural processes other than information and communication phenomena from its adopted cultural perspective is largely dependent on the sensitivity of the researcher and the convictions of the reader. All that can be said is that this research was conducted and the results analysed in full appreciation of this danger.

- 2) that it will provide an inadequate account of how important non-information related processes and structures operate and interact within the context of managerial and organisational behaviour, and will fail to examine the inter-linkages between information and communication and other variables of organisational life. This objection is in a certain limited sense valid; every individual study must have its limitations and the parameters of this research project were carefully crafted and are here recorded in advance of what is to come. However, the cultural paradigm used to explicate the data is an eclectic and inclusive framework for analysis, and every attempt has been made to link

information and communication activities to the social fabric of the case study organisation.

- 3) that it will tend to interpret processes/structures as information phenomena or information-related when other and possibly more useful or valid interpretations should be sought. Any social event or process is open to a multiplicity of interpretations which, according to our phenomenalist/grounded theory standpoint are equally legitimate as long as the interpretations are supported by the empirically derived data. Thus while one explanation might be considered more utilitarian than another (one descripto-explanatory theory may highlight solvable organisational problems more obviously than another, for instance) all such interpretations are of equal validity in the ultimate sense that they are all interpretations of a perceived reality, and not guaranteed veridical accounts of events and processes occurring in an undisputed objective world. Hence the most that can be claimed is that while an information interpretation is valid, its practical and theoretical merit is yet to be demonstrated.

- 4) the tendency to use information/communication concepts as the base denominator for an unjustified reductionism will ultimately undermine what value the information perspective might have. The argument is this: models, schema, etc. are used within the social sciences as simplifying tools which allow us to emphasise one facet of a complex and variegated reality. But if all aspects of the phenomenon under study are diagnosed as information relevant, then we can question the utility of the information framework itself. In short, its very success could be held to undermine its operational value. If everything is information, then what is the point of an information perspective, and what can be meant by such terms as 'information dimension'?

There are substantive dangers in accepting too broad a conceptualisation of information. If we were to define planning,

budgeting, controlling, decision making and so forth as no more than information actions then not only would this study be open to the charge of unidimensionality, it would also put in jeopardy the objective of emphasising the importance of information and communication for managers and organisations. This potential problem was, to some extent, obviated by the narrow definition of information as 'a sign structure capable of altering the understanding of a human agent' (Boulding, 1956). Had a broader or more nebulous definition of information been accepted then the open-textured and ambiguous nature of such a concept might have facilitated its unjustified extension to embrace actions, processes and structures normally held to be outside the information/communication remit. Unfortunately, the sophistication of this information concept precluded its use for the purpose of data collection, which relied solely on individuals' intuitive notions of what counted as information and what did not. Thus to maintain consistency with the concept of information outlined here, the process of data analysis involved making arbitrary judgements concerning the respondents' use of the term.

It might be argued that cultural and information/communication activities cannot be separated out in the 'neat' way this thesis has suggested. This is the view of Boisot (1987, p.196), who has attempted to demonstrate 'that a political economy of information and (his) theory of cultural processes (are) in fact the same thing'. But while it is indeed true that cultural and informational activities are aspects of a seamless web of organisational life it does not necessarily follow that the analysis has been any more artificial than other organisation-centred research. The point is that cultural and informational phenomena interrelate in particular ways, and it is these relationships that this research has sought to explicate.

A further objection that might be raised against the research is that the principal tool used for data analysis, namely grounded theory, has been the subject of serious criticisms. The following problems and difficulties have been attributed to grounded theory:

- 1) that there is a dearth of available 'how to' and technical reference sources providing definitive guidance on the conduct of grounded theory research (Martin & Turner, 1986).
- 2) that it is of limited usefulness for dealing with large-scale structural features of society, such as demographic trends or systems of social stratification (Martin & Turner, 1986).
- 3) that it is not concerned with the production of schemes of cosmic proportions, but the production of theoretical accounts of small fragments of the world in which we live (Turner, 1983).
- 4) that Glaser and Strauss are unclear about the nature of the link between theory and data, and that grounded theories are grounded not in 'data' but a certain type of data. Thus phenomena which are widely separated in time, space or the system studied may yield little useful theory using the grounded theory style of analysis because close contact with such phenomena will not allow the deduction of the intuitively plausible inferences on which the style relies (Brown, 1973).

Interesting though these criticisms are they do not really cut against this research in any meaningful way. Thus although Martin and Turner feel that grounded theory requires more detailed elucidation, sufficient has been written on the technique to apply it in practice (see for example, Beard & Easingwood, 1989). Doubtless grounded theory will be continually refined over time, but it is hardly a 'rough and ready' style of analysis even now. Similarly, this thesis can agree that grounded theory is not an appropriate technique for all fields (such as demography), that it is likely to yield better results when the project it is applied to is narrowly focused, and that it has problems in coping with certain types of widely separated data, without qualms. The elicitation of cultural and information/communication profiles and the analysis of linkages between the two sets of organisational phenomena was an ideal study to which grounded theory could readily be applied. In short, the

research objectives were sufficiently well-defined and the data sufficiently spatially and temporally contiguous for the project to experience few substantive methodological problems.

CHAPTER TWO

PRELUDE TO DATA ANALYSIS: the core categories

2.1 Derivation of the Core Categories

Use of the grounded theory style of qualitative analysis revealed two sets of distinct but related core categories (see Appendix 3). The first set consisted of ten general characteristics of the case study organisation, while the second set represented a classification of information and communication phenomena into six more manageable categories which were subdivided as appropriate. The ten general features of the organisation were:

- * a personnel orientation,
- * loyalty,
- * informality,
- * professionalism,
- * democracy and autocracy
- * competition and co-operation,
- * conflict and confidence,
- * narrowness and introspection,
- * marketing-led and production-constrained
- * pace of activity

Once these core categories had been discovered it soon became apparent that they were susceptible to interpretation as cultural traits. The possibility of using them as a 'cultural profile' for the organisation which could play an explanatory role vis-a-vis its information dimension, emerged at approximately the same time.

The categorisation of the information and communication phenomena discerned in the data was conducted simultaneously with the recognition of the cultural core categories. This second set of categories were five in number. Of these three refer to forms of communication and their associated channels (M.I.S., ad hoc communications and informal communications), one is a meta-level evaluation of the cultural dimension of the information/communication profile (information culture type) and the last an evaluation of the

knowledge base and belief/value set associated with information/communication structures and processes.

- * the management information system (M.I.S.),
- * ad hoc communications,
- * the information culture type,
- * informal communications and
- * information consciousness.

A brief description of the cultural and information/communication categories, and the relationships between the culture categories, are given here to focus the reader's attention on what are the most significant themes of the case study. This will be followed by a brief consideration of why a cultural rather than any one of a large number of other competing perspectives on organisation's was chosen as the guiding metaphor for the interpretation of the research data. The connections between the two sets of categories is provided as the data have been presented.

2.2 The Core Cultural Categories

2.2.1 Personnel Orientation

The phrase 'personnel orientation' is used to denote a complex set of beliefs concerning the Group's attitude toward its employees. These beliefs can be divided into two basic groups: prescriptive and dissonant. The prescriptive beliefs were descriptions of actual group culture which had overwhelming support from respondents in all parts of the business. On the other hand, dissonant beliefs reflected disjuncture within the cultural fabric of the organisation, i.e. they were recognised as Group traits but were not uniformly supported. The core prescriptive beliefs were that the organisation should provide jobs, ensure that working conditions and wages were acceptable, have a high regard for the rights of individual employees and treat individuals as equals.

The core dissonant beliefs were as follows: that the Group was tolerant of under-performing employees, had a benevolent (some

respondents said 'paternalistic') attitude towards its employees and failed to link rewards to performance. In fact, as will be demonstrated in chapters 4-10 the dissonant beliefs were strongest in subsidiary 1 where they were associated with an older generation of managers. However, even the newer subsidiaries were finding it difficult to water down the strong egalitarian principles espoused by the Group, and which made tolerance of poor performance, benevolence and non-differential remuneration difficult to avoid.

2.2.2 Loyalty

A reciprocal loyalty upwards from the employees to the Group formed the credit side of the personnel orientation. Following Kanter (1972) and Buchanan (1974) loyalty (or commitment as they refer to the concept) is defined as the willingness of participants to give energy and loyalty to an organisation, to be effectively attached to its goals and values and thereby to the organisation for its own sake. In its most basic form loyalty to an organisation implies not only a belief in its ethical code of conduct, but also an empathetic identification with at least some of its major objectives and past achievements.

In this case high levels of loyalty, both to the Group and its subsidiary companies, was both a result and a determinant of large numbers of employees spending much of their working lives within the organisational umbrella. This corporate trait was also associated with a 'spirit of tradition' which permeated the Group. In addition, individuals were generally very much aware that the organisation had a lengthy history and this seemed to satisfy their emotional need for security at a time of high unemployment. Both the traditional ambience and perceived stable employment opportunity offered by the Group fed into and enhanced loyalty to it.

Loyalty to the organisation was manifested in several ways. There was considerable attachment to the products manufactured and sold by the Group, especially at Companies 1 and 2. In Company 2 there was also

a willingness to work long hours at an unusually frenetic pace relative to the rest of the Group. And of course, most obviously, there was the fact that so many individuals chose to spend a large proportion (and in some instances all) their working lives in the organisation. Only in Company 4, which had special difficulties, were these high levels of loyalty not evident. These points are examined in more detail in the following chapters.

2.2.3 Informality

The Group was an extremely informal organisation, and this informality was evident at all levels in the hierarchy of management and at all the sites where data collection interviews were conducted. Some of the most important indicators of this corporate trait included: the extent to which individuals of differing rank were on first name terms, a lack of formalised systems (especially communications systems), and in some instances a perceived lack of clear lines of authority within what were often very loosely structured departments. In particular, informality was associated with a preference for team work and ad hoc, face-to-face communication, both of which were strongly supported by cultural norms within the Group.

While the Group was indisputably an informal organisation it was not unequivocally so. There was also a preoccupation with status and status symbols which had its origins in the Group's history (see Chapter 8). For example, the Holdings Board offices were far more spacious and luxuriously decorated than those on any other site, Company 1 boasted a dining room reserved for senior managers only, and company cars were looked on with envy by those who did not possess them and treated as indicators of personal merit by those who did. What this demonstrates is that organisational life is complex and heterogeneous, and that the core categories identified here must be recognised as dominant themes or trends to which others may run counter. Naturally, where such divergent or opposed trends have been detected they will be described and exemplified.

2.2.4 Professionalism

The Group was characterised by generally low levels of professional competence, with terms such as 'casual', 'comfy' and 'slovenly' commonly applied by respondents in describing the organisation and its employees. Professional ability was hardly evident in the lowest managerial ranks and non-existent on the shopfloor. The more senior management team (below director level) was more able, and levels of professionalism were improving. The evidence for this came in the form of more people taking an interest in the longer term strategy of their subsidiary and the Group, greater efforts now being made to plan and co-ordinate effectively, and to achieve budget targets - something which had previously been considered almost inconsequential. The professionalism of the directors, both at subsidiary and Holdings Board level, was more difficult to gauge; though the impressive turn-around in profitability experienced by the Group since 1980 would seem to indicate that the present team compared favourably with that at the helm a decade ago.

The overall picture was thus one of isolated pockets of professional competence, mostly concentrated in senior positions, while the great majority of employees were low-skilled, relatively uneducated and narrowly experienced. In a manufacturing industry where the basic production processes were straightforward, wages no better than average and many individuals employed as part time workers and/or on short term contracts, this finding is not surprising. However, the organisation itself had over the years accentuated the problem by making little investment in staff training and promoting internally rather than bringing in experienced individuals from outside the Group.

The lack of professionalism was manifested in a rich diversity of ways. The organisation itself was notable for its poorly defined job responsibilities, few formal control mechanisms, a certain diffuseness of authority in some areas, a reliance on out-dated information systems and often slow decision making processes. Complementing these

organisational traits was the unwillingness of many individuals to take up the challenges of the commercial environment or to take responsibility for problems and mistakes as and when they arose. There were also difficulties in introducing (and having accepted) new ideas, with employees being largely content to rely on old concepts and methods.

2.2.5 Democracy and Autocracy

The Group was a highly democratic organisation which possessed both strong consensual and participative norms and an open, flexible style. The strength of the organisation's commitment to its democratic principles was reflected in its structure and style of operation, which tended to decentralise power from the Holdings Board to the subsidiaries. Furthermore, within the subsidiaries (and the Holdings Board itself) much decision making tended to be accomplished in groups or by committees, there was widespread access to information resources and questioning from subordinates concerning decisions was a feature of working life.

However, there were obvious and definite limits to Group democracy. Thus predictably, strategic decision making for the Group was the preserve of the Holdings Board and the more significant subsidiary decisions tended to be made by the directors and senior managers. In Company 2 the dominating personality of the Managing Director distorted what was an essentially democratic culture, while in Company 4 the Managing Director and senior management team were attempting to introduce a more democratic ethos into a company where the underlying beliefs and values were less sympathetic to open and participative democracy. Moreover, the democratic style could occasionally become less open and flexible than combative and adversarial, especially in Company 1 where personal and political antagonisms were most in evidence. Furthermore, throughout the Group there were a large number of individuals who complained that the organisation was too democratic for its own good, and that its decision making processes and speed of response to external change were impaired by decentralisation of

responsibility and the perceived need for prior consultation and discussion with peers and subordinates.

2.2.6 Competition and Cooperation

The working environment of the Group was co-operative, and internal competition between individuals and departments was greatly discouraged. To some extent the reason for the existence of beliefs and values which strongly supported co-operative activity can be linked to functional necessity; that is, in a manufacturing company where most functions were dependent on others for their smooth operation and where individual departments could not operate without their personnel working collectively, it is only to be expected that co-operation would achieve the status of a cultural norm. There was evidence of competition between individuals being encouraged at the lowest levels in production and sales/marketing departments within the Group, i.e. shopfloor operatives and salesmen in the field. But even here competitive activity was generally under-stated in accordance with the cultural heritage of the organisation, which led employees to associate a competitive ethos with political intrigue - a feature which had plagued the organisation until comparatively recently.

The 1986 restructuring of the Group which had created a distinct Holdings Board and five principal subsidiaries had also created an organisational structure with more scope for competition. For the two years prior to the conduct of this research the quasi-autonomous subsidiaries had been set individual profit targets which had led some of them to compete with each other, and competition was especially acute between Company 1 and Company 2. The new Group structure was thus causing a radical change in cultural orientation at the subsidiary level, though there was as yet no evidence that inter-subsidiary competition was in turn influencing the internal functioning of the subsidiaries. Interestingly, the Holdings Board had introduced a couple of rules which restricted inter-subsidiary competition, ostensibly for commercial reasons, but arguably (at least in part), as a result of the cultural proclivity for a non-

competitive internal environment. The fact that nearly all the respondents interviewed recognised that they worked for a Group, that many individuals had been employed in more than one of the subsidiaries and the various inter-dependencies between the subsidiaries were further restraints on the degree to which competition had developed.

2.2.7 Conflict and Confidence

This code refers both to the conflictual activity and levels of trust and confidence discovered within the organisation. The amount of conflict, the form it took, the scale at which it operated (whether between individuals or groups, departments, subsidiaries or Holdings Board and subsidiaries) its causes and time duration were examined. The ontology and morphology of conflictual activity was found to be intimately linked to the perceived levels of trust and confidence individuals had in their work colleagues and superiors. From the data it was clear that respondents thought of trust and confidence in terms of a global feeling of warmth towards their fellow employees. As with conflict in the organisation levels of trust and confidence were found to vary from subsidiary to subsidiary and, most strikingly, between the senior management teams in the Holdings Board and subsidiaries on the one hand through a continuum of deteriorating confidence to the shopfloor operatives on the other.

Historically, levels of trust and confidence within the Group had been low, and the amount of conflictual and quasi-political activity between individuals and groups correspondingly high. From the early 1980's onwards, following an overhaul of the most senior Group personnel, trust and confidence within the organisation had developed together with increasing profitability. However, the 1986 restructuring of the Group had re-opened many old wounds and inter-subsidiary and subsidiary-Holdings Board conflicts had resulted from deteriorating levels of trust and confidence. Within the subsidiaries conflict could be especially acute between the sales and marketing sections in Company 1 and between the production and technical

(including quality control) departments of Company 4. These points are elaborated upon in succeeding chapters.

2.2.8 Narrowness and Introspection

The Group was a narrow and introspective concern. Its narrowness of outlook was best exemplified by its concentration on a few small sectors of the sugar confectionery market, and an apparent unwillingness to consider a variety of opportunities even within the sphere of confectionery. The Group's blinkered perception of the commercial environment in which it subsisted was symptomatic of its tendency to introspection. Rather than concern itself with large amounts of industry and market data the organisation produced detailed reports on its own plans and performance, and had become preoccupied with analysing them.

All the manufacturing subsidiaries identified the Group interest with their own individual achievements and prospects, and concern for the problems of their sister companies was almost wholly lacking. The international division (Company 3) was totally dependent on the Group manufacturing subsidiaries for its products and seemingly because of this economic motive took a broader view of the Group's well being. Within the subsidiaries the departments were similarly often narrow and introspective in their outlook. This was most evident in Company 1, where size was an important factor insulating departments from each other, and Company 4 where inter-departmental communication had been discouraged for some years prior to being purchased by the Group. In addition, the use of technical vocabularies reinforced functional divisions, which had the effect of further isolating departments. The difficulties of moving personnel between departments (because of the need for specialist knowledge and skills) and the lack of a coherent training programme to overcome this problem only exacerbated the cocooning of departments in their own immediate affairs.

2.2.9 Marketing-led and Production-constrained

The Group had traditionally been a production-led organisation which valued its manufacturing expertise as the key to its continued growth and success. Products had therefore tended to be manufactured without regard for the existing and likely future state of the market. In addition, the senior production team's preference for manufacturing what could be made quickly, easily and in bulk had out-weighed the need to produce the variety of products needed to pursue a marketing-led strategy. The general cultural association of the company's future profitability with the skills of the production departments, together with those department's sheer size, also meant that the production directors were extremely influential figures within the organisation.

During the past few years senior personnel within the Group had increasingly come to believe that the manufacturing capabilities of the organisation should be tailored to better service the demands of the market. In short, that the Group should shift from being production to marketing-led. However, despite the wishes of the Holdings Board and many subsidiary executives the organisation was finding it difficult to adapt to the needs of individual markets, and production priorities were still often favoured over customer needs. There was evidence that some production directors had used the power implicit in their already privileged positions to preserve their department's 'star' role.

A fuller explanation of the difficulties involved in initiating such a vast change in corporate outlook must implicate the Group's traditional deference to production, the problems imposed by the limited skills and knowledge-base of production employees, and the constraints imposed by the existing equipment. This is not to say that marketing was totally impotent. In Company 1 there was a marketing team with considerable influence over product packaging and advertising strategies. This was, though, the exception, with Company 2 having only one professional marketeer and Company 4 being forced to

purchase its marketing support from an outside agency. Attitudes towards marketing and the concept of a marketing-led organisation were really only just beginning to crystallise within the Group, and its metamorphosis into a whole-heartedly marketing-led concern was still far from complete.

2.2.10 Pace of Activity

The 'pace of activity' code refers primarily to the internal operation of the Group, i.e. the pace at which individuals, departments and whole subsidiaries worked, in order to accomplish their goals and objectives. Secondly, the code also refers to the speed which the subsidiaries (and thus the Group) were able to respond to change in the external environment. In fact, this second code reference is intimately tied to the first, with the pace of activity internal to the organisation largely determining its speed of response to external stimuli.

The Group as a whole was a slow-moving, cumbersome organisation, in which work activity was conducted at a relaxed pace, and changes and opportunities in the environment were neither detected nor responded to with any degree of immediacy. In brief, it was not a risk-taking, fast-action, quick-changing company. A traditionally stable marketplace, familiarity with which had grown up over several generations, had done nothing to inculcate an ethos of innovation. This cultural bias towards slow, considered decisions, had helped to create highly bureaucratic decision making mechanisms. The emergence of a more youthful, more professional Holdings Board team, aware of the Group's inability to push individuals hard or respond quickly to external change, was having an impact on this facet of the organisation's psyche. Nevertheless, the Holdings Board itself was unwilling to push for dramatic alteration in the Group's internal operation, reflecting the cultural preference for gradual and subtly induced modification. The executive directors and senior managers of the subsidiaries were thus almost totally responsible for determining their own pace of activity.

Naturally there were variations between subsidiaries. Company 1 and Company 4 were the slowest moving, with few individuals feeling under pressure from work commitments or stretching themselves beyond the minimum required. Senior managers in these companies often sought to explain this phenomenon by reference to the 'Yorkshire' and 'Devonshire' cultures respectively, which they considered to encourage a 'lackadaisical' attitude towards work. These companies, and especially Company 1, were also recognised to be the least responsive to environmental change, partly (in the case of Company 1) because of the intricate bureaucracies which supported its decision making function, but also because of an innate cultural conservatism as mentioned above. In contrast, Company 2 exhibited attitudes and beliefs which supported a relatively fast pace of activity internally and a corresponding ability to move quickly in the marketplace when required. It too, like Company 1 was situated in the Yorkshire region, suggesting that the 'local culture thesis' cannot be accepted without radical modification. A variety of factors account for its unique position for the Group near the 'fast moving' end of the slow-pace/quick-pace work activity spectrum, including its size, youth, history and a number of other cultural traits, as is detailed below.

2.2.11 The Core Information/Communication Categories

2.2.12 Management Information System

The Management Information System (M.I.S.) concept is one borrowed from the literature of organisational behaviour and design. While a large number of definitions of Management Information Systems have been suggested that given by Stoner (1982) best describes the code operationalised in this thesis:

"...a formal method of making available to management the accurate and timely information necessary to facilitate the decision making process and enable the organisation's planning, control, and operational functions to be carried out effectively."

(Stoner, 1982, p.645)

Within the embrace of this code the relevant material is discussed under four sub-category headings: first, a brief account of the evolution of the Group and subsidiary M.I.S.'s is provided; second, a description of the status and attributes of the current M.I.S.'s is given; third, there is a discussion of the problems and difficulties associated with the M.I.S.'s; and finally, where appropriate, the role played by new information technology and any problems experienced in the use of it are considered.

The management information systems in place within the Group had evolved over a long period of time without the benefit of an overall plan. At the subsidiary level information and communication systems were often out-dated, slow, cumbersome and error-prone. There were some differences between the subsidiaries, with Company 4 possessing the least sophisticated set of systems and Company 1 the most intricate and bureaucratic information mechanisms. Nevertheless, all the subsidiaries suffered from similar information problems - a lack of relevant information, information of dubious quality and reliability, much information stored in the minds of individuals rather than written down or encoded in computerised databases, and so forth. The attitude of the Group towards new technology was generally positive, but investment in computer-based information systems had so far been small. Arguably this was due to financial constraints as much as cultural inertia, though there was notably less unease about acquiring expensive manufacturing equipment than there was powerful computer systems.

2.2.13 Ad Hoc Communications

This code refers to all those work-related communications that did not take place within the context of the formally specified channels of the M.I.S.. In fact, the internal dynamics of the Group tended to generate a far greater amount of extra-M.I.S. information than information confined to the formal information systems. The reliance on ad hoc communication reflected organisational norms and beliefs which valued flexibility, informality and personal contact. A

cultural distaste for procedure, rationalisation and systematisation was also evident in some areas of the Group, notably the Holdings Board, Company 2 and Company 3.

The extent to which ad hoc communication was relied upon by the organisation was the cause of a variety of information and communications problems. As much of the internal communications were accomplished orally there was greater scope for the accidental introduction of bias and misunderstanding. Furthermore, recipients were often unaware of precisely what they were supposed to receive or when, so there was also more scope for the deliberate distortion and withholding of information. Those individuals who were not natural communicators could trap information behind closed doors and use it tactically as a resource for their own personal advantage. A heavy burden was also placed on those individuals who were natural disseminators of information who often had to remember to communicate with all relevant and interested personnel without the aid of formalised channels. In addition, inter-departmental and inter-subsidiary antagonisms and rivalries could more easily interfere with the flow of information between sections and sister companies. Even where communication did take place there were frequent problems with the timeliness, quality and detail of information transmitted, as few parameters were specified before hand. One special problem was that because there were few formal mechanisms linking shopfloor operatives to middle and senior management little information flowed upwards from the workforce, resulting in the effective isolation and insulation of both groups from each other.

2.2.14 Informal Communication

The Group possessed an extensive grapevine system. Grapevines, which bypass the formal authority and information structures, are a feature of most organisations, and in large concerns are often complex, diffuse and multi-channelled, and focused on key liaison individuals (internal gatekeepers) (Caplow, 1946-7; Sutton & Porter, 1968). Within the Group grapevines could be identified at three inter-linked

levels, the subsidiary, between subsidiaries and between the subsidiaries and the Holdings Board. Interestingly the industry in which the Group subsisted itself had a well developed and highly intricate grapevine:

"Within the whole of the industry there is a phenomenal grapevine; you have to be very careful indeed what you say to anybody."

(Development Director, p.22, no.55)

Much of the information transmitted on the Group grapevine was recognised by the respondents as being of dubious quality and reliability. Despite this fact, while some individuals were dismissive of the grapevine others displayed an interested attitude towards it, and a few people viewed it as a tool of management.

2.2.15 Information Consciousness

This code refers to the cultural value placed on information as a resource and the information and communication systems that have been implemented to retrieve, manipulate and transmit information. It represents an evaluation of the organisation's sophistication and attitudes towards the concept of 'information management'. Turner (1987) has suggested that organisational information management strategies can be measured against a four stage evolutionary model. Phase one of the model, 'procedural efficiency', developed to cope with expanding amounts of information by means of such tools as typewriters, telephones, filing cabinets and so forth. Phase 2, technical efficiency, took off in the 1960's with the original introduction of computers and duplicating machines. This was followed by phase three, 'information strategy', which was precipitated by the technical and functional convergence of data processing, office automation and telecommunications. In this phase information handling tools were made available to a much wider range of end users, senior managers took charge of information management, and more emphasis was placed on information as a support for the organisation's business and strategic objectives. Phase 4, knowledge strategy, is the most recent

development in information management, and describes organisational exploitation of knowledge resources through expert systems, knowledge based systems, decision support systems and office intelligence systems. Measured on this scale the case study organisation was firmly stuck in phase 2, and seemed unlikely to progress further in the foreseeable future.

While interesting, Turner's model obscures the important distinction between internally produced and externally derived information. It should be observed that this code refers to the Group's cultural attitude towards both internal and external information. In particular, it is concerned with the value placed upon information by the organisation, and its possible implications for the resources devoted to information/communication activities, and the resources devoted to information seeking, evaluation and dissemination. In fact, the level of information consciousness within the Group was rather low, as indicated by the absence of any generally accessible central library facilities, the absence of any information professionals and the small budget devoted to external information gathering.

2.2.16 Information-Culture Type

This thesis distinguishes two major types of communication culture, 'oral' and 'written'. An oral information culture is defined as an organisational culture, the values and accepted norms of which support a high degree of word-of-mouth communication. The behavioural side of the oral information culture is an observable tendency for individuals to transmit and receive information orally. In contrast to the oral information culture is the written information culture, the beliefs and mores of which encourage and foster communication in writing. In their purest forms the oral and written information cultures represent two ends of a broad continuum in which many gradations between the two extremes are observable.

The Group as a whole possessed an oral information culture. However, while the Holdings Board, Company 1 and Company 2 were characterised by strong oral information cultures, Companies 3 and 4 were best described as possessing 'mixed' information cultures, which featured both strong oral and written tendencies. Although the oral/written information culture concept is a useful descriptive model, it masks important differences between departments and individuals. Thus finance departments were generally found to be less reliant on oral communication than marketing, sales and production departments. Similarly, individuals often had complex sets of preferences for how they preferred to transmit and receive information depending on the importance of speed, the type of information involved, its complexity and so forth. Despite these complications, the core category did describe an important and salient feature of Group life, with most individuals believing that the benefits of oral information exchange outweighed its associated costs.

2.3 Linkages between the Core Categories

It is important to realise that these core categories are not isolated, autonomous features, but intimately inter-connected themes detectable in the organisation's cultural life. A brief account of the connections between the core categories is provided here in order to demonstrate the true complexities involved in explicating a company's culture. The personnel orientation, for instance, was partially responsible for engendering the high levels of loyalty to the organisation, and was instrumental in creating an atmosphere of trust and confidence in which individuals were generally intent on co-operative activity for the benefit of the Group. This same personnel orientation meant that the company tended (at least until very recently) to promote long-serving, loyal individuals (despite their qualifications) to more senior positions, with a concomitant detrimental impact on the organisation's overall professionalism.

The loyalty and emotional empathy felt by employees towards the organisation had developed over time and under the influence of the

personnel orientation. But it in turn had exercised some control over the evolution of the personnel orientation, making it more difficult for the company to evaluate employees solely in terms of their professional abilities and 'hard cash' or use-value. The Group-wide perception that there was loyalty to the organisation (or more usually their individual subsidiary) also helped create the conditions in which trust and confidence were the accepted working norms. The informality of the organisation was most clearly linked to relaxed and casual attitudes to work, and the consequently slow pace of work activity within much of the Group. It was also symptomatic of a more deeply rooted spirit of egalitarianism, and both the informality and the equalitarianism were part of that cluster of values and beliefs which underpinned the Group's democratic ethos.

The lack of professionalism had largely resulted from the personnel orientation which de-emphasised professional values and submerged any professional ethos which might have been latent. This core category had far-reaching implications for the cultural life of the organisation, being a causal factor of the Group's narrowness and introspection (and hence of it still being predominantly production-constrained), and of its generally slow pace of work activity. The extent and character of the democracy have primarily to be understood in connection with the personnel orientation, which had created the attitudes and beliefs necessary for its development. The high levels of loyalty, co-operation and trust and confidence were also supportive of an environment in which democratic values could thrive. On a less positive note the organisation's attachment to democracy was also a cause of the relatively slow pace at which the Group could respond to change and realise opportunities.

The strong belief in the value of co-operative activity and the consequently co-operative (rather than competitive) nature of the environment internal to the subsidiaries was founded on high levels of inter-personal trust and confidence. That co-operation between (at least some of the) subsidiaries was more fraught, was indicative of less strong trust relationships between individuals - notably the

managing directors. The inter-personal trust and confidence had itself developed under the influence of the organisation's personnel orientation. The high value placed on individuals by the culture naturally translated into employees having considerable trust and confidence in the abilities and integrity of their colleagues. The recognition that most people were loyal to the organisation and the belief that almost everyone was concerned with the best interests of their subsidiary also buttressed the trust and confidence facet of the culture.

The narrow and introspective nature of the organisation had evolved in part due to the personnel orientation, which dictated that internal promotions were more desirable than bringing people in from outside. This cultural trait was also closely associated with the lack of professionalism, of which it was one manifestation. The introspective tendencies of the culture and the lack of professionalism were also reasons why the Group was still largely production-constrained and the pace of work activity was considered slow. Other factors were also in play here, with the production-led instincts of many long-serving employees obviously being linked to the history of the organisation and the slow pace of work activity understandable in the broader cultural context of the democratic beliefs and values.

For the purposes of this thesis these core categories have been interpreted as cultural traits, and conjunctively this set of inter-related cultural traits is defined as the organisation's cultural profile. The decision to adopt a cultural approach was taken only after a detailed review of the literature of organisational theory had been conducted. The possibility of employing other metaphors - notably the idea of the political arena - or guiding principles - such as concentrating on the role of technology - for analytical purposes were considered. However, the pattern which had by this early stage emerged from the data, seemed most compatible with the concept and theory of culture. This is not to suggest that the other metaphors and theories were not equally valid, or that they could not have been applied in this particular case. It was, though, considered

that the cultural metaphor would offer the most complete, rich and rewarding understanding of the organisation's information/communication life.

While this may appear to have been a largely arbitrary decision it can be vindicated on two accounts. First, the grounded theory that had been built up by this stage was most sympathetic to a cultural analysis. And second, this is a period of fundamental disagreement, reflection and introspection in the field of organisational theory in terms of its perspectives and prospects. This is an important point. So widespread is the recognition of problems at the theoretical level that Pfeffer 'is tempted to argue that this growing review and reflection coupled with ambiguity is indicative of a paradigm crisis in organisation theory' (1982, p.255). In short, if the case was to be written up coherently then one metaphor had to be chosen, and for utilitarian reasons 'culture' was chosen.

This brief overview of the data is now followed by a review of the corporate and organisational culture literature. Given the vast outpouring of culture-related material over the past decade, and which continues even as this thesis is written, Chapter 3 is necessarily selective. Nevertheless, the review is deliberately wide-ranging, and covers all important aspects of the theory of culture relevant to this study. Armed with a knowledge of the cultural metaphor the case study itself will be considered in detail in Chapters 4-8.

CHAPTER THREE

THE CULTURAL PERSPECTIVE

"For organisational analysis, we need to perceive and understand the complex nature of organisational phenomena, both micro and macro, organisational and individual, conservative and dynamic. We need to understand organisations in multiple ways, as having 'machine-like' aspects, 'organism-like' aspects, 'culture-like' aspects, and others yet to to be identified. We need to encourage and use the tension engendered by multiple images of our complex subject."

(Jelinek, Smircich and Hirsch, 1983, p.331).

3.1 Prolegomenon

While there is considerable interest in information and communication issues within commercial organisations there are no generally accepted methods, models or approaches employed in the study and analysis of them. Rather scholars have used a variety of disparate and heterogeneous methodological and analytical tools which they have applied from a multiplicity of perspectives. The immaturity of the discipline, which has been widely commented upon (Richetto, 1977; Dennis, Goldhaber & Yates, 1978) can, in a post-Kuhnian era, be interpreted as a pre-paradigmatic area of inquiry. One possible interpretation of the problem is that none of the metaphors popularly used in the theory of organisational behaviour allow for exhaustive and in-depth information/communication analysis. Given this diagnosis there is a prima facie case for exploring the merits (and of course the drawbacks) of the concept of culture as a paradigm for the field.

Some authors have challenged the feasibility (and indeed the utility) of a paradigm of any sort emerging within the sphere of organisational communication (Porter & Roberts (1976). Moreover, doubts have already been expressed by some authors (Pacanowsky & O'Donnell-Trujillo, 1982) concerning the likelihood of an organisational culture perspective

leading to a comprehensive, unified theory of organisational communication. While the reservations of respected authors in the discipline should not be dismissed out of hand, equally their comments should not be treated as incontrovertible canons of wisdom; in any event, the reader, having reached the conclusions of this thesis can judge for himself/herself whether the current undertaking was a worthwhile project to pursue. While the background to this research is described in detail in Chapter 2, as a prelude to this it is, perhaps, worth considering Schein's perceptive comment, that:

"Whether we are taking the point of view of the total organisation attempting to operate in a complex environment, or the point of view of the individual trying to learn to be productive and satisfied in an occupation or organisation, or the point of view of a group engaged in work and/or face-to-face communication, we cannot escape having to analyse at some point the cultural forces involved. Once we demystify the concept of culture and learn to analyse its dynamics, it will aid us enormously in understanding both organisational and individual-level phenomena."

(Schein, 1985, p.48).

3.2 Introduction

The current interest in organisational culture developed as approaches to organisational behaviour emphasising the importance of structure were increasingly recognised as failing to disclose significant differences between companies which nevertheless varied widely in terms of a variety of performance measurements. The perception that accepted (largely positivistic) methods and models concentrating on the rational properties of organisations could not offer satisfactory explanations for some observed phenomena became increasingly dominant in the 1970's (Cohen, March & Olsen, 1972; Dornbusch & Scott, 1975; Weick, 1976; Lincoln et al, 1978). Initially scholars focused on national cultural differences, especially those between the Japanese and American nations, and attempted to explain various aspects of

organisational design, behaviour and performance in national cultural terms. The idea that organisations themselves could be conceptualised as quasi self-contained cultures emerged in conjunction with this research. The groundwork for the development of an alternative approach to organisations had already been prepared by Kuhn (1962) whose concept of a 'paradigm' as a socio-historically constructed weltanschauung has since found direct application in an organisational context (Imerschein, 1977; Pfeffer, 1981).

It is important to note that within the organisational cultural field there is as yet no single pre-eminent point of view or methodology, but rather a rich mixture of ideas and approaches. This lack of consensus on many of the fundamental issues reflects the diverse and heterogeneous origins of the discipline, which range from anthropology (Radcliffe-Brown, 1952; Malinowski, 1961; Geertz, 1973 and Goodenough, 1971) to social psychology (Forehand & Gilmer, 1964; Tagiuri, 1968; Borgida & Nisbett, 1977; Kahneman & Tversky, 1979; Martin & Powers, 1983). Perhaps the greatest intellectual debt owed by researchers in organisational culture is to organisational sociology. This view is suggested most forcibly and plausibly by Ouchi and Wilkins (1985) who have given a detailed description of the influence of organisational sociology - the study of myth and ritual, symbolic interaction, ethnomethodology, and the study of institutions - on the contemporary study of organisational culture.

The tension between explicit and rational views of organisation on the one hand and implicit, non-rational views on the other which has long been a central feature of the sociology of organisations has also informed the culture literature. Similarly there is scope for a dichotomy of view concerning whether an organisation's culture should be treated as a dependent variable with respect to external macrosocial forces and the individual beliefs and values etc. of its members, or as an independent, determining variable, especially with respect to the beliefs and values of employees. A further duality evident in the organisational culture literature is between those researchers who have adopted a more global and social approach and

those who have adopted a psychological point of view. In the first camp are specialists looking at rites and rituals (Trice & Beyer, 1984), myths and legends (Wilkins, 1983a), and economics (Wilkins & Ouchi, 1983; Jones, 1983; Barney, 1984). In the second category are authors such as Pfeffer (1981) who emphasises the lack of coupling between attitudes and behaviour, Schein (1983a) who argues that culture is the sum of what individuals have learned from their organisational world, and a variety of authors following Freudian, Jungian (Mitroff, 1983) or linguistic (Pondy, 1978, 1983) approaches.

3.3 Empirical Studies of Organisational Culture

A large and ever burgeoning number of empirical studies in the field of organisational culture have been conducted. This vast bank of work is susceptible to classification according to any number of criteria, but for the purposes of discursive convenience the three categories devised by Ouchi and Wilkins (1985) will be employed here. They divide the empirical work up into holistic studies, semiotic or language studies and quantitative studies.

Exemplars of the holistic approach include Rohlen's (1974) description of a Japanese bank, Van Maanen's (1973) work on the socialisation of police recruits, Krieger's (1979) portrait of a San Francisco rock music station, and Dyer's (1982) description of a computer company. Semiotic studies, focussing on language and symbolism, have been conducted by Gregory (1983) on companies in Silicon Valley, Barley (1983a) on the language of funeral directors and Pondy (1983) concerning Communist China and an African tribe (the 'Nuer). Quantitative studies of organisational culture include that carried out by Bowditch et al (1983) on the merger of two banks, a study by Ouchi & Johnson (1978), and the work of Beck and Moore (1983, 1984) on the culture of Canadian banks.

3.4 Organisations as Understood in this Research

Organisations have been variously defined as 'systems of shared meanings' (Smircich, 1983a), 'symbolic entities' (Morgan, Frost & Pondy, 1983), and patterns of 'communicative behaviour' (Deetz, 1982). This research recognises each of these definitions as legitimate and potentially useful characterisations of organisations, but insists that each describes only one aspect of what is a highly complex and indeed contested concept. What all of these definitions enshrine is a belief that organisations are not concrete, unequivocal and phenomenologically invariant things. Rather, they must be understood as social systems which manifest intricate forms of cultural activity.

This is not to say that organisations do not possess the variety of attributes ascribed to them by more 'conventional' definitions (Aldrich, 1979; Bedeian, 1980; Daft, 1980; Daft & Lengel, 1984). However, what it does mean is that these attributes have to be interpreted not as objectively verifiable elements in a positivist reality, but as cultural artefacts. Thus if this research seems at times to arrogate to the concept of organisation characteristics such as a deliberate structure, an identifiable boundary, goals or objectives and a collective identity, then these features should be comprehended as existing as systems of shared meanings among the respondents which find expression in their communicative behaviour. The cultural paradigm is hence an ideal tool for the study of the information and communication dimension of organisations, for as Pacanowsky and O'Donnell-Trujillo have pointed out:

"...the organisational culture perspective begins by liberating our conceptions of what counts as an organisation and what counts as organisational behaviour. These conceptual shifts allow us to refocus our notions of the role of communication in organisations and thus liberate the

kinds of questions that we as organisational communication researchers can legitimately ask." (Pacanowsky & O'Donnell-Trujillo, 1982, p.117).

3.5 Selection and Socialisation

The continued survival and development of an organisation's culture is contingent on the effectiveness of its selection and socialisation procedures. A strong and vibrant culture implies a high level of consensus among employees on important organisational traits and goals and their continuing identification with and commitment to its ideals, morality and social groups. The processes of selection and socialisation serve a variety of roles, including facilitating the smooth induction of new individuals into the cultural life of the organisation, creating a psychological barrier prohibiting the individual's desertion of the culture (Van Maanen, 1976), and enhancing and protecting the fabric of the culture itself.

Organisational selection is the search mechanism by which candidates for entry to the culture who already display some degree of anticipatory socialisation are sought (Salaman, 1979; Merton, 1957). Socialisation has been defined as 'the acquisition of the requisite orientations for satisfactory functioning in a role' (Parsons, 1951, p.205). The term refers to the exposure of new recruits to patterns of evaluation, ways of thinking, forms of language and myths, which they must learn if they are to become competent and confident members of the organisation (Turner, 1971). These socialisation processes exist in at least five forms: trainees learn from formal instructors, from peers, from clients, from subordinates and from a multiplicity of internal groups (Geer et al., 1968). Thus within organisations:

"... the individual's learned deference towards authority is evoked and interpersonal relations are ordered in ways that honour organisational claims for loyalty, consistence, and dispatch. Organisations are composed of congeries of small groups that have a similar

influence on behaviour. They inculcate majority values in their members; they reward compliance and punish those who resist their demands. In many cases, group values contribute to the organisation's manifest goals. In others, they conflict with them."

(Presthus, 1978, p.113)

The extent to which an individual is susceptible to successful 'enculturation' (Hammond, 1960)/ 'acculturation' (Louis, 1983) will depend not only on his/her sympathies with the prevailing organisational ethos, but the strength of his/her aspirations to establish a successful career in that organisation. It is the individual's determination to succeed that ties him/her into the formal and informal systems of rewards and punishments, which provides the motivation to survive the initial culture shock, and to appear flexible and cooperative as and when the organisation demands. But however committed an individual may be his successful socialisation also depends on the organisation, and organisations have been found to vary widely in terms of their efforts to socialise their recruits into their cultures, a factor which is itself related to the nature and pervasiveness of an organisation's culture (Salaman, 1974). Furthermore, it is important to realise that given the complexity of organisational subcultures that may exist together with the total organisational culture the process of cultural learning for the newcomer is not only complicated, but perpetual (Schein, 1985, p.43).

3.6 A Model of Culture Development

The model of culture development which underpins this research is closely tied to the interpretive methodological and conceptual paradigm outlined in Chapter 1. This is not to imply that spatial, temporal and social context variables are ignored, for it is a tenet of this thesis that the physical location of organisations, their historical development and patterns of social interaction within them are, as Maanen and Barley (1985) have pointed out, important contributors to the process of cultural formation. But within this

structuralist context the phenomenon of culture development is understood fundamentally as an interactive and interpretive process.

Thus the primary notion of culture employed here is founded on the premise that the 'meaning' of social phenomena is not given a priori. Instead, meaning is held to be produced through the processes of individual and socially mediated interpretation (Louis, 1981 & 1983; Deetz, 1982). Essentially, all 'seeing is theory laden' (Hanson, 1965) and as such all seeing is 'seeing as'. Culture, therefore, develops as a process of shared attributed meaning, a process which is accomplished via a variety of communication acts and media (Beyer & Trice, 1988). As Deetz (1982) has argued, individuals' perceptions, qua organisational constituents continually engender new meanings for them and new concepts may thus arise:

"These become habituated and part of the background for new situations. As these become sedimented as the 'way things are', they become institutionalised in various ways in the organisation. This institutionalisation may take place in preferred ways of talking, stories, artifacts, physical arrangements, new organisational positions, and particular ways of doing things. As such they orientate member's perceptions and provide meaning for organisational activities and objects. From this assumed institutional background activities are coordinated, and new meanings are negotiated."

(Deetz, 1982, p.134).

The processes by which meanings come to be shared and translated into the values and beliefs, perceptions and facts, of an organisation's culture is arguably susceptible to conscious manipulation by influential individuals. The development of organisational culture is, thus, closely linked to the phenomenon of leadership (Selznick, 1957; Vaill, 1982; Schein, 1985). According to Schein (1985) organisational cultures are largely created by leaders, whose principal leadership function is the creation, management and (if necessary) the destruction of culture. Essentially, what this means

is that the process of building culture cannot be separated from the process of leadership which involves the identification of those problems around which culture is eventually learned or evolved. While it is important to realise that all leaders are influenced by their own prior cultural learning, constrained by environmental and internal contextual features of the organisation such as the attitudes of the local workforce and friendship groups, and may not even be conscious of their culture-building decisions, yet the role of leadership in culture formation should not be under-estimated.

3.7 Approaches to the Study and Understanding of Culture

A number of approaches to organisational culture have been adopted by researchers in the field. Two of the most prominent are 'symbolic interactionism' and 'ethnomethodology', both of which significantly influenced this research, and will thus be dealt with in some detail. Symbolic interactionists (Bormann, 1983; Mohrmann, 1982) focus on the cultural use of symbols: their frequency, richness, inter-relatedness, emergence, and transformation. Symbolic interactionism is, though, a broad research tradition, and it would be a mistake not to consider the diversity of interpretations symbols and symbolic activity have been subjected to. Morgan, Frost and Pondy, (1983) have identified four 'paradigms' for the analysis of cultural symbolism: functionalism, interpretivism, radical humanism and structuralism.

Morgan et al suggest that a functionalist approach to symbolism encourages a view of symbols as carriers of information and meaning, and places emphasis on discovering the spontaneous functions which they play in the maintenance of social order. In contrast, from an interpretive perspective symbols are viewed as the essential medium through which individuals create their world, and the associated theory and research is oriented towards understanding the processes through which this occurs. What they call the 'radical humanist approach' focuses on how this process may have pathological tendencies, with individuals enacting their realities through the medium of symbolic forms in ways that are oppressive and alienating.

Finally the 'radical structuralist' theory of symbolic forms studies the way in which symbolic constructs are utilised as forms of ideological control in the interests of ruling elites, and sustain the status quo despite the pressure of inherent system contradictions which favour social transformation.

Symbolic interactionists tend to limit themselves to an analysis of culture as constituted and understood as a set of social symbols. Researchers in this tradition see their task as one of interpreting the 'themes' of culture which Opler (1945) has referred to as those postulates or understandings, declared or implicit, tacitly approved or openly prompted, that orient and stimulate social activity. Culture is interpreted as a pattern of symbolic discourse which can be explained in terms of the ways in which symbols are linked in meaningful relationships to the activities of actors in an organisational setting (Manning, 1979; Turner, 1983; Van Maanen, 1973). Structural and psychodynamic theories of culture represent an especially interesting version of the symbolic approach, conceptualising symbolic activity as an expression of unconscious psychological processes, the understanding of which will cast light on the workings of the human mind (Gemmill, 1982; and Mitroff, 1982).

Ethnomethodology is a recent branch of sociological research which, Bantz (1983) suggests, has its roots in the work of Garfinkel (1981) and Cicourel (1974). While difficult to define succinctly Filmer (1972) has posited that it is concerned with the process of what might be called first-order objectification - that is, the everyday way in which members make rational and accountable their everyday experience. In other words, it is a sociology of everyday life. As with the symbolic interactionists ethnomethodology is not a unitary school of thought, and different authors have chosen to emphasise cognitive mechanisms (Cicourel, 1974), behaviour patterns (Garfinkel, 1981) and various aspects of social communication (Cushman & Whiting, 1972; Cushman, 1977; Shimanoff, 1980).

Ethnomethodologically oriented researchers interested in culture have generally restricted their comprehension of the phenomenon to suit their individual proclivities. There are authors who have insisted on an understanding of culture as revealed by verbal discourse and concentrated their attention on how social reality is created and sustained through verbal communication (Pacanowsky & O'Donnell-Trujillo, 1982). Others have attempted to define the concept of culture from a cognitive perspective. According to this view culture is a system of shared cognitions or a system of knowledge and beliefs (Rossi & O'Higgins, 1980); it is a conceptual paradigm which structures perception and behaviour.

3.8 Culture as Metaphor and Critical Lever

Organisational culture has been conceptualised both as a metaphorical tool which can aid insightful analysis and as an objective property of organisations which can be linked to other variables and used as a critical lever for improving organisational health. As Frost et al (1985) have commented:

"...some see the term 'organisational culture' as a metaphor - organisations are like cultures - they try to understand the attributes of culture that might be relevant to organisations in terms of a symbolic process. Others see organisational culture as a thing, an objective entity that can be examined in terms of variables (independent and dependent) and linked to other things such as performance, satisfaction and organisational effectiveness."

(Frost et al, 1985, p.18).

Researchers representing diverse schools have argued that scientists (including social scientists) create knowledge about the world through the teasing out of implications of different metaphoric conceptualisations of their subject matter (Pepper, 1942; Kaplan, 1964; Brown, 1977; Morgan, 1980). A similar hypothesis has been postulated by Lakoff & Johnson, (1980), who maintain that the

metaphoric process (seeing one thing in terms of another) is basic to human thinking. This notion has been further explored by Koch and Deetz (1981) who argue that perception and knowing are linked in an interpretive process that is metaphorically structured, allowing us to understand one domain of experience in terms of another.

The significance of these ideas to researchers in organisational behaviour seeking to understand the concept of culture is striking. A considerable number of metaphors and images have been employed in the study of organisations, and it is tempting to regard culture as merely the latest in this series of images. Historically, two of the most important of these metaphors are those of the 'machine' (Pondy & Mitroff, 1979) and the 'organism' (Trist & Bamforth, 1951; Lawrence & Lorsch, 1967). Other metaphors which have been used to elaborate aspects of organisational life include the 'theatre' (Goffman, 1959; Mangham & Overington, 1983), the 'political arena' (Crozier, 1964; Pfeffer, 1981), 'cybernetics', (Rappaport, 1971), and the 'psychic prison' (Fromm, 1942, 1962; Marcuse, 1955, 1964; and Habermas, 1972). Indeed, in one sense at least, the term 'organisation' is itself a metaphor referring to the experience of collective coordination and orderliness (Smircich, 1983b).

Given the philosophical support for the metaphorical theory of human knowledge and the empirically observed tendency for organisational theorists to rely on metaphors it is unsurprising that some authors should have sympathies with the interpretation of culture as a metaphor (Smircich, 1983b; Morgan, et al, 1983; Morgan, 1986). Exemplar approaches to culture which implicitly make use of the concept as a metaphor include both ethnomethodology and symbolic interactionism. In essence, the cultural metaphor is used to focus attention on the the way in which organisations can be seen as miniature societies with a distinctive social structure, reflected in various patterns of action, language, discourse, laws, roles, ritual, custom, ceremony, norms, folklore, stories, beliefs, myths, etc. (Morgan et al, 1983).

While the notion of culture can certainly be a useful metaphorical tool, as this thesis seeks to exemplify, there are two important points concerning its use in this field which should be borne in mind: first, that there may be attendant dangers in borrowing metaphors from other fields which divert attention away from organisations themselves (Pinder & Bourgeois, 1982); and, second, it is both legitimate and valuable to recognise the explanatory value of the concept of culture as a variable in organisational life (Deetz, 1982). It is to the view of culture as an organisational variable, both externally derived and internally induced, that this review now turns.

The literature of 'comparative management' has generally regarded culture as an externally created variable that is imported into organisations through their employees and which reflects national beliefs and values (Ajiferuke & Boddewyn, 1970; Cummings & Schmidt, 1972). This national culture is held to be revealed in the patterns of attitudes and actions of individual organisation members. However, although the comparative management literature has devoted considerable effort to elucidating the impact of the broader national culture on organisational life (see the reviews/critiques of Roberts, 1970; Bhagat & McQuaid, 1982) little theoretical work concerning the notion of culture itself has so far been attempted.

A more imaginative and diverse literature has burgeoned which considers organisations themselves as culture-generating phenomena (Tichy, 1982; Martin & Powers, 1983). Cultural artifacts such as rites and rituals, legends, and idiosyncratic belief and value systems are identified and used to explain the detailed functioning of the organisations in which they feature. This view of culture, often reliant on a systems theory framework, is in the same tradition as those approaches which emphasise structure, size, technology and leadership patterns as significant variables influencing organisational behaviour (Woodward, 1965; Fielder, 1967; Pugh & Hickson, 1976). The identification of culture as a 'critical key' or 'lever' (Smircich, 1983b) which can be used to control and direct the course of an organisation and even changed in order to harmonise

employee beliefs and work patterns with corporate objectives is exciting but contentious.

This research was conducted on the principle that the use of culture as a metaphor for studying organisations is legitimate and likely to yield valuable insights into the operation of complex social activities such as work. However, it is important to realise that 'culture' does refer to something which is empirically identifiable and analysable: beliefs and values can be gauged, company histories constructed and myths discovered. Furthermore, it is considered plausible that an understanding of an organisation's culture can shed light on other aspects and processes of organisational life, such as its information and communication dimension, by highlighting the link between the subjective realm of the collective consciousness and corporate information policies and communication patterns.

3.9 Definitions of Corporate and Organisational Culture

Concerning corporate culture, the organisational literature offers the interested reader an embarrassment of definitional riches. There is, however, little sign of an emerging consensus on the core meaning of the term 'culture' with different researchers defining its parameters to match their ideological sympathies, methodological assumptions and foci of interest. This thesis, therefore, accepts the inevitable conclusion that the concept of culture is polysemic, and, as different authors often insist on competing synechdochistic interpretations (taking a part of the meaning of the notion for the whole) a 'contested concept'.

Six of the most common conceptualisations of organisational culture have been identified by Schein (1985). These are: observed behavioural regularities such as language and rituals (Goffman, 1959, 1967; Van Maanen, 1979); the informal norms evolved in working groups (Hofstede, 1950); dominant values (Deal & Kennedy, 1982); the organisational philosophy towards employees and/or customers (Ouchi, 1981; Pascale & Athos, 1981); the rules that must be followed for

personal success (Schein, 1968, 1978; Van Maanen, 1976); and the feeling or climate conveyed by an organisation's physical layout and interaction with outsiders (Tagiuri, 1968). None of these characterisations can exhaustively account for all the diverse and heterogeneous meanings which have been attributed to the notion of organisational culture, as many of the authors cited above would doubtless agree. Nevertheless, it is important to recognise that definitions of the concept of culture can yield valuable insights into the various 'layers' and 'textures' of the term as it is used in the academic literature, and Table 1 below provides a sample of the types of definitions currently in vogue.

TABLE 1

- 1) "...man is an animal suspended in webs of significance he himself has spun... culture [is] those webs, and the analysis of it [is] therefore not an experimental science in search of law but an interpretive one in search of meaning." (Geertz, 1973, p.5).
- 2) "The culture of an organisation refers to the unique configuration of norms, values, beliefs, ways of behaving and so on that characterise the manner in which groups and individuals combine to get things done. The distinctiveness of a particular organisation is intimately bound up with its history and the character-building effects of past decisions and past leaders. It is manifested in the folkways, mores, and the ideology to which members defer, as well as in the strategic choices made by the organisation as a whole." (Eldridge & Crombie, 1974, p.89).
- 3) "'Organisational culture' may be generally defined as the body of customary beliefs and social forms within an organisation." (Miles, 1980, p.47).
- 4) "'Culture' as used here, is defined as learned ways of coping with experience." (Gregory, 1983, p.364).
- 5) "I will mean by 'culture': a pattern of basic assumptions - invented, discovered, or developed by a given group as it learns to cope with its problems of external adaptation and internal integration - that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems." (Schein, 1985, p.9).

- 6) "In crude relief, culture can be understood as a set of solutions devised by a group of people to meet specific problems posed by the situations they face in common." (Maanen & Barley, 1985, p.33).
 - 7) "Corporate Culture is the 'implicit', 'invisible', 'intrinsic' and 'informal' consciousness of an organisation which guides the behaviour of the individuals and which shapes itself out of their behaviour." (Scholz, 1987, p.80).
 - 8) "Culture in the communicative context means the sum total of ways of living, organising, and communing built up in a group of human beings and transmitted to newcomers by means of verbal and non-verbal communication. Important components of an organisation's culture include shared norms, reminiscences, stories, rites, and rituals that provide the members with unique symbolic common ground." (Bormann, 1983, p.100).
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3.10 The Concept of Organisational Climate

The concept of corporate or organisational culture operationalised in this thesis subsumes the notion of 'organisational climate' within its sphere of meaning and application. Organisational theorists were utilising the concept of climate at least ten years before the notion of culture became popular. However, it is with the recent interest in the idea of culture that the concept of organisational climate has achieved broader recognition, largely as a narrower view of approximately the same phenomena.

The phrase 'organisational climate' refers to the beliefs and attitudes held by individuals about their organisation (Poole & McPhee, 1983). According to Tagiuri (1968) climate is 'a relatively enduring quality of the total environment that (1) is experienced by occupants, (2) influences their behaviour, and (3) can be described in terms of the values of a particular set of characteristics (or attributes) of the environment' (p.25). Campbell et al (1970) have described four major dimensions of organisational climate: 1) individual autonomy, or the relative amount of freedom the individual has to make decisions and exercise personal initiative; 2) the degree

of structure imposed on the position, or the degree to which superiors establish and communicate job objectives and the means of accomplishing them; 3) the reward orientation, or whether individuals feel rewarded for a job well done and the organisation's relative emphasis on positive rewards rather than punishments; and 4) the consideration, warmth and support given by managers and supervisors. Other factors have been suggested by other authors; for example, Payne and Pugh (1976) recommend that a company's orientation to development and progress be examined and communication researchers have listed additional dimensions relevant to communication (Redding, 1972; Muchinsky, 1977).

Similar conceptual and pragmatic problems afflict the organisational climate community as are faced by scholars of organisational culture. Foremost among these is how the concept itself should be interpreted. One view of climate pictures it as 'a set of summary or global perceptions held by individuals about their organisational environment' (James & Jones, 1974, p.1105), i.e. a psychological attribute of individual members. A second and competing interpretation of climate considers it to be an attribute of organisations as described by its members in terms of a number of key variables (Campbell et al, 1970). Poole and McPhee (1983) suggest that the gulf between those who seek to locate culture in individuals and those who conceive of it as an organisational attribute can be bridged by reconceptualising 'climate on the intersubjective level as an organisational construct constituted by the supra-individual linkage of members' perspectives, particularly their beliefs, attitudes, values, and interpretations'. This intersubjective niveau is essentially the theoretical platform on which culture (inclusive of climate) has been subjected to analysis in this thesis.

3.11 Facets of Culture

In attempting to give an exhaustive taxonomy of the facets of organisational culture the first problem to be faced is what counts as a facet and what should be interpreted as merely the manifestation of

something more fundamental. After all, are rituals the essence of culture or the values and beliefs which prompt them? Or perhaps it is the historical emergence of those cognitive attitudes which is the 'facet' of primary importance, their symbolic significance or even the language used to describe those values and behaviour patterns. These differences in emphasis obviously reflect the intellectual ferment of contemporary cultural theory, and each approach will be briefly considered here. First, a classification of cultural facets into subjective, objective and linguistic will be attempted; and second, Louis's (1983) classification of cultural facets into prescriptive, descriptive and expressive categories will be examined.

Subjectively, the term culture refers to the widely held values, beliefs and norms, and popular myths and legends which may be found within organisations. Values and beliefs are the basic concepts of an organisation, and as such they are at the heart of the culture, establishing standards of achievement within the social context. In the form of norms they form the basis for decision making and a reference by which to judge the appropriateness of behaviour patterns (Shaw, 1971; Turner, 1971). These norms and values may be enshrined in myths and legends which dramatise and embellish actual historical events and individuals. Where these myths involve individuals these people may assume the status of corporate heroes, who personify the culture's values and provide tangible role models for employees to mimic (Deal & Kennedy, 1988).

Objectively, culture refers to an organisations's rites, rituals and practices (standard operating procedures). Rites and rituals may be defined as more or less elaborate and planned sets of activities that consolidate various forms of cultural expression into organised events, which are carried out through social interaction, and which are usually for the benefit of an audience (Beyer & Trice, 1988). Rites and rituals include everything from managerial and occupational training programmes to performance awards ceremonies and company festivals. Practices are the accepted means of task accomplishment, and range from a particular form of record keeping to the 'correct'

way of looking busy when the work load is light (Pacanowsky & O'Donnell-Trujillo, 1982).

Linguistically the culture of an organisation is distinguished by the vocabulary and concepts it employs. As Folb (1976, p.194) has asserted, 'Because vocabulary is the part of language that is most immediately under the conscious manipulation and control of its users, it provides the most accessible place to begin exploration of their experiences'. Useful displays of organisational culture related to vocabulary are the metaphors used by organisational members, which 'may be helpful in understanding a sense of how members structure their experiences' (Pacanowsky & O'Donnell-Trujillo, 1982, p.125).

Louis (1983) has suggested an alternative typology of cultural facets in terms of what she considers to be three 'natural categories' of the concept, namely, the prescriptive, the descriptive and the expressive. By 'prescriptive' elements Louis refers to 'shared ideals', and it is certainly the case that culture is not a hermeneutically neutral social phenomenon; it is permeated by value elements which both prescribe and proscribe action. But organisational cultures are composed of more than mere morality and conceptions of persons and purpose, they also include descriptive aspects or 'present images of local life' which are coded in an organisational knowledge-base which binds individuals together, facilitates working practices and unifies the enterprise. As Salaman (1979, p.197) has observed, 'shared organisational knowledge constitutes a significant bond between organisational members, as well as reflecting, in non-evaluative form, the preferences and philosophies of members'.

3.12 Acultural and Multi-Cultural Organisations

While it is often convenient to refer to organisations as if they possessed a single, unitary and homogeneous culture, most organisations seem to bear multiple sub-cultures, and even counter-cultures that may hold antithetical or competing views on the nature

of situations within the organisation (see March & Simon, 1958; Likert, 1961; Christensen, 1988). As Gregory (1983) has pointed out:

"...the small-homogeneous-society metaphor is often inappropriate to those organisations that are large, internally differentiated, rapidly changing, and only command part-time commitment from members. Such organisations more nearly resemble the complex society of which they are a part. In large complex societies... the robustness of any group as a culture is questionable.... Societies, and many organisations, can more correctly be viewed in terms of multiple, cross-cutting cultural contexts changing through time, rather than as stable, bounded, homogeneous cultures."

(Gregory, 1983, p.365).

An additional problem for cultural research are those organisations in which no appreciable culture appears to have developed (Louis, 1983). If the paradigm concept of organisational culture operationalised in this thesis is to be widely accepted then both these empirically validated points must be subsumed within its theoretical web.

Given the widespread finding that organisational cultures are frequently so highly elaborated and intricate that multiple, nested or over-lapping sub-cultures may be distinguished within them, a number of authors have attempted to isolate those features of organisational settings which contribute to this secondary cultural growth. Opportunities for diverse cultures to develop are provided by organisational structure (at subsidiary, department and sub-department levels), and the structure of management and of its workforce (senior, mid-ranking and junior managers may have vastly differing cultural allegiances from each other and their workforce) (Etzioni, 1971, p.231). Further, factors such as the stability of membership of these 'natural' groupings, their perceptions of the youth, size and nature of the organisation, their tendency to identify with key local personalities, the relative impermeability of the group (R.&.D lab workers are, for example, more likely than most to be bounded by the

less than permeable barriers of professional qualifications and experience), and the history of groups, have all been implicated in the process of sub-culture formation.

In contrast to the attention that has been paid to the phenomenon of 'multi-culturalism' far less work has been conducted on those organisations which have little or no cultural edifice. There are at least two prime causes of 'aculturalism': first, culture develops over time, and a newly formed organisation cannot be expected to be as rich in shared beliefs and values etc. as one which has been longer established. As Schein (1985) has pointed out, culture, is a learned product of group experience and is, therefore, to be found only where there is a definable group with a significant history.

And second, the nature of the work performed and of the work environment generally may not facilitate the development of culture. Work processes which do not engender employee commitment to the organisation, and a work environment which restricts social interaction can both stifle cultural development. Similarly, a high turnover of employees may result in cultural denudation which effectively erodes any culture which might have previously existed. There are, almost without doubt, other features of organisations which can inhibit the genesis and maintenance of culture which remain to be identified through further study.

The existence of a multitude of subtly or even radically different cultures within a single organisation does not undermine the cultural approach outlined here. Rather, it demonstrates the need to a) interpret organisations, especially large ones such as the research subject, as complex and heterogeneous phenomena and b) the necessity of seeking to identify culture at more levels than the total organisation. Furthermore, few cultures can be expected to exhibit complete uniformity; sub-cultures and counter-cultures and conflict between these and a recognisably dominant culture are the essence of

the cultural approach adopted in this thesis, and the dynamics of interaction between them form some of the most fascinating and significant organisational behaviour open to researchers in the field. The existence of acultural organisations represents a far more searching challenge to researchers in organisational culture, and is suggestive of the hypothesis that perhaps not all organisations are best analysed by, or indeed are susceptible to analysis in terms of a cultural perspective.

3.13 The Survival Value of Culture Within Organisations

A strong, coherent and appropriate culture is of immense value to an organisation concerned with preserving its health and continued survival (Deal & Kennedy, 1982; Louis, 1983; Drake, 1984; Buchanan & McCalman, 1989). Specifically, cultural norms serve to define patterns of accepted behaviour which can lead to conflict reduction, diminished time wastage by employees who know what is expected of them, and even better decision making, especially by lower ranking managers. Moreover, a recognisable culture can increase the meaningfulness of work of employees for whom it provides foci of identification and loyalty which both increase trust and confidence levels within the organisation and provide role models for successful career paths; lower rates of labour turnover and high workforce motivation are possible concomitants. As Louis (1983) asserts:

"Culture provides for social system continuity, control, identity and integration of members. The stability (through time) of shared ideals across generations of social system members provides continuity and serves a homeostatic function. The stability (through space) of the standards or goals conveyed in the commonly-held set of ideals serves the control function of deviance detection and reduction.... Further, ideals shared among members provide for the integration of individuals into the social group, a kind of individual-to-institution linking.... More diffusely, culture embodies the identity of the social

group. What we as members, stand for and how we deal with one another and with outsiders is carried in and through our culture."

(Louis 1983, p.44).

While culture generally has survival value for an organisation a changing business context - new laws, radical changes in market structure etc. - can render an existing culture obsolete and dysfunctional (Deal & Kennedy, 1988). This obviously invites the question: are organisational cultures susceptible to conscious manipulation and change? (see Section 2.14 below).

3.14 Cultural Energetics: obsolescence and change.

A plethora of factors have been implicated as possible influencers of cultural obsolescence, though little theoretical work has been done to demonstrate precisely how they have their affect. Typical of the expressions of ignorance is Vaill's (1982) assertion that:

"Beyond some unknown threshold, too much change in this system of factors breaks down the shared sense of what the organisation is, why it exists, and what its basic purposes are."

(Vaill, 1982, p.29).

A related question is, to what extent the culture of an organisation is susceptible to conscious modification and change? A number of popular authors like Peters and Waterman (1982) have implied that there does exist the potential for managers to induce and alter culture. Yet scholars of organisational culture so far exhibit no consensus on the question of whether or not corporate cultures can be deliberately created and subsequently manipulated by senior management teams. This issue is of extreme importance to this thesis. If the information policy and patterns of communication found within an organisation are indeed intimately interconnected with that organisation's culture, and that culture was not amenable to deliberate modification, then the practical utility of research work

which seeks to explore the cultural dimension of organisational information/communication behaviour can be questioned. On the other hand, if culture is considered to be more malleable, at least in some respects and to some degree, then a cultural perspective on information and communication patterns and policies can be vindicated as providing insights to senior managers who can then take appropriate steps to ameliorate any problems that may have been detected.

Numerous authors have emphasised the difficulties inherent in attempting manager-induced change and foisting executive control over an organisation's culture, (Uttal, 1983; Schwartz & Davis, 1981; Deal & Kennedy, 1988). Other researchers have gone further and argued that as culture is fundamentally a spontaneous creation of ordinary people it cannot, therefore, be imposed from above (Dorson, 1972). Empirical observation of failure has been made by Deal and Kennedy (1988) who catalogue the attempts made by A.T.&T's management to adjust the company's culture to 'fit' the new commercial environment following deregulation of the industry and the inability of Sears to engineer the sort of cultural change necessary for the company to move its sales operation 'up-market'. Similarly, Bowditch et al (1983) have described how the attempted cultural integration of two banks unintentionally resulted in the domination of one culture by the other. This body of thought inclines towards the view that organisational culture is a dependent variable, though one not responsive to conscious interference.

Those scholars who have argued the case for viewing organisational culture as a phenomenon susceptible to manipulation occupy a broad confidence spectrum. At one end of the spectrum are those researchers who contend that cultures can probably be altered by the efforts of management, but only in minor ways (Martin & Siehl, 1983). At the other end of the spectrum are authors such as Scholz (1987), who cites the case of Pepsi Cola as proof that cultural metamorphosis, while time-consuming, difficult and expensive, is certainly not impossible to accomplish. A more realistic position, and one this thesis is in sympathy with, is that suggested by Jones (1983) and Beyer and Trice

(1988) who argue that like other social forms and processes cultures inevitably change, and that it is natural for managers and others who seek power to initiate and manage this natural evolution.

Part of the reason for disagreement on this issue is that authors have tended to operationalise different conceptions of 'culture' itself. Broadly speaking, those who have defined culture as deeply rooted in the cognitive, emotional and behavioural domains of organisational life are less sanguine about the possibility of controlled cultural change than authors who have emphasised relatively superficial cultural manifestations, such as espoused values, reward structures and dress codes. A further fundamental reason for disagreement is that while some authors have concerned themselves with large scale cultural revolution, others have focused on changes of a more limited nature. A third cause of the diversity of view is that organisations differ in a multitude of respects, and the size, structure, history, and market conditions (to name but a few) within which an organisation subsists, may have a profound influence over the feasibility of inducing cultural change.

The extent to which deliberate manipulation will be successful in any individual instance will, though, be contingent on an array of factors - the skills and abilities of the staff, the business context, the history of the organisation, the employees' perceived need to change, and so forth. This represents a compromise position in which change and even transformation of a culture is considered possible given the 'right' circumstances and intelligent handling. As Schein (1985) has asserted, culture can be changed, but only through an understanding of the dynamics of the learning process, and familiarity with the strategies by which individuals come to learn (and unlearn) the complex beliefs and assumptions that underlie their social behaviour.

3.15 Typologies of Corporate and Organisational Cultures

A number of general typologies of organisational cultures have been developed (Etzioni, 1971; Handy, 1978). Of these Handy's description

of four basic management styles is probably the most widely known. The first of these is the Club or Zeus culture which is a club culture dominated by a single omnipotent individual. It is focused on the building of useful relationships, and oriented towards individuals enhancement of their positions of influence through actively building political alliances and developing personal charisma. The Zeus culture is a basic activity culture notable for the speed with which decisions can be made. This speed is achieved through emotional empathy between the Zeus figure and his team, empathy which relies heavily on trust and confidence levels within an organisation. Almost inevitably communications within such organisations are oral and where possible face-to-face.

Second is the Apollo or Role culture 'which bases its approach around the definition of the role or the job to be done, not around personalities' (p.20). The dominant ethos here is one of rationality and the 'logical approach' to problem solving. Such a culture Handy suggests will be most successful when the external environment exhibits a high degree of stability and predictability, and these traits are reflected and encouraged inside the organisation. In effect individual employees become part of the corporate machine, subservient to the organisational ethos which insists on conformity to role requirements. Thus the Apollo culture is secure both psychologically and contractually, with individuals holding their positions without the threat of premature termination of employment.

Third is the Task or Athena culture which is another activity culture concerned with 'the continuous and successful solution of problems' (p.25). The task culture decentralises power to several self-contained teams which pursue their own sub-objectives, though within a common overall strategy. The culture recognises expertise as the only base of power, and venerates intuition and creativity. The culture is characterised by high levels of commitment and enthusiasm among employees who also have considerable respect for their peers, making formalised procedural niceties almost irrelevant.

Fourth is the Existential or Dionysian culture which, uniquely among Handy's cultures, views the role of the organisation as a facilitator of individual participants' goals. This is often a commune culture in which individuals cooperate in order to promote utilitarian ends without being highly mutually interdependent. The Dionysian culture is one of independent professionals who agree to coordination for their own long term convenience. The generation of such a culture presupposes a need for a considerable amount of talent which must be allowed to flourish.

Handy's four styles of management are supposed to be applicable to organisations generally; rather less attention has been given to the classification of specifically corporate cultures, with Scholz (1987) being one notable exception. Scholz has suggested that corporate culture can be classified along three dimensions: evolution, internal factors and external factors. From the evolution-induced perspective culture is regarded as a function of the particular stage (along some imaginary company 'life-cycle') that any given commercial organisation has reached. According to the internal-induced viewpoint culture is pictured as a response to circumstances prevalent within the subject company, especially with respect to its problem-solving attitude. Finally, the external-induced framework posits culture to be determined by the particular business environment in which the company subsists. These three criteria for classifying corporate cultures are reviewed in detail below as they reveal some of the most important factors currently thought to influence the nature of a company's culture, and some of the gaps in this thinking.

Within the evolution-induced dimension Scholz identifies five cultures (borrowed from the literature of strategic management), each representative of a different stage in the evolution of a corporate culture. These are: 1) the stable culture, which is fundamentally introverted and oriented towards the past. This stage displays aversion to risk, with no discontinuity or change being considered acceptable; 2) the reactive culture, which is also introverted, but oriented towards the present and accepts 'minimum risks'; 3) the

anticipating culture, which is partially introverted and partially extroverted, allows for familiar risks and accepts instrumental change; 4) the exploring culture, which is strictly extroverted and behaves according to a risk/gain trade-off which implies a great deal of change; and 5) the creative culture, which is also strictly extroverted and has a large preference for unfamiliar risk taking in its attempts to 'invent the future' through a continuous search for novel changes.

For the internal-induced dimension Scholz uses a classification scheme which draws heavily on the idea of property rights. Three types of culture are distinguished: 1) the production culture, in which the production process is basically rather constant, has a high standardisation of the work process and low skill requirements. The property rights in this culture are, therefore, rather weak; 2) the bureaucratic culture, in which there is more non-routineness, resulting in the specification of certain rights and obligations of various role holders from which property rights are derived, i.e. property rights are derived from the positions individuals hold; and 3) the professional culture, in which the non-routineness, both in terms of task variety and difficulty, is most pronounced. And since the involved employees are specialists in their particular fields, the property rights are vested in individuals rather than positions they occupy.

The external-induced dimension is captured by Scholz with a classification scheme which distinguishes between four types of culture borrowed from Deal and Kennedy (1988): 1) the tough-guy/macho culture which is characterised by a high risk environment with quick feedback on the appropriateness of actions. This environment needs individualists who are able to cope with these risks in an all-or-nothing climate; 2) the work-hard/play-hard culture is associated with an environment with relatively low risks combined with quick feedback on the merits of actions. This culture is based on team spirit, and fun and action are the rules of the game here; 3) the bet-your-company culture is created by an environment which calls for major high-stake

decisions, where employees have to wait many years before they learn the consequences of a decision; and 4) the process culture reflects an environment which has little or no feedback and hardly any risks. Predictability and continuity are the basic values here.

This typology of corporate cultures is obviously not the only possible means of classifying corporate cultures. It does, however, illustrate that it is possible to give meaningful descriptions of types of corporate cultures. It also provides some indication of the range of variables that may be relevant if organisational culture is to be used as an explanatory tool in our study of information and communication within organisations. But what it manifestly does not do is imply any role at all for information/communication issues in the development of a typological classifications of culture, and this is a failing that this thesis seeks to rectify (see Conclusions).

3.16 Information, Communication and Organisational Culture

Given the immaturity of the discipline of Information Science and organisational communication research, the concept of 'corporate culture' may represent a 'first step' towards a comprehensive, unified paradigm for studies in this field. There are two basic ways in which the notion and theory of corporate (organisational) culture may be employed for the benefit of scholars interested in the information/communication dimension of organisations: first, as a metaphor for organisational life it can be a useful means of furthering our understanding and sensitising us to the complexities inherent in the social processes of information and communication issues, (Pacanowsky & O'Donnell-Trujillo, 1982; Putnam & Pacanowsky, 1983). Second, interpreted as an organisational variable the notion of culture can be used in a descripto-explanatory role with respect to aspects of an organisation's information/communication dimension. While this thesis accepts the validity of the cultural metaphor as a conceptual tool for elucidating the 'deep' structure of organisations, it is primarily as

an organisational variable that the theory of culture is operationalised here.

The literature linking the concept of 'culture' to information issues within organisations is not vast (see, for example, Drake, 1984; Horton, 1987). Considerably more attention has been paid to culture and the social processes of communication (Birdwhistell, 1970; Keesing, 1974; Pettigrew, 1979; Schein, 1983a, 1983b; Tompkins & McPhee, 1985; Poole, 1985; Gudykunst & Ting-Toomey, 1988; Beyer & Trice, 1988). From these literatures two central questions (which are really two sides of the same problematic coin) emerge. Firstly, it has been asked how information and communication processes help to shape and structure culture; and secondly, there is the question of how an established corporate culture influences and conditions the information/communication processes/activities of an organisation.

Information and communication policies and processes have their primary impact on an existing culture through socialisation, for it is through a complex social system of information exchange that individuals become absorbed into the cultural life of an organisation (see Section 3.5). In addition, it has been suggested that more specific facets of an organisation's information/communication dimension, such as its information management policies and information technology, will have an impact on culture (Horton, 1987; Drake, 1984):

"Information and its distribution are important attributes of a corporate culture and constitute one of the more critical factors forcing change in corporate cultures."

(Drake, 1984, p.263).

Horton has theorised that the introduction of the notion of 'information management' into an organisation has a cultural impact in terms of its implications for everything from organisational structure and the redistribution of power, to the image and personality of the organisation, and the style of the Chief Executive. Unfortunately

Horton declines to specify what he understands 'culture' to be, or even the precise details of how information management influences an organisation's cultural existence. Yet, despite Horton's lack of sophistication the paper is a useful indicator of the range of effects information and communication variables may have on an organisation's culture, and is valuable insofar as it implicitly makes the case for a thorough treatment of the themes it touches on.

This thesis recognises that the information and communication dimension of an organisation will reflect the influence of its culture. As Eldridge and Crombie (1974, p.90) point out, the distinctive characteristic of organisation at the social level is the availability of choice, and 'the character of organisational choice is one of the major manifestations of organisational culture'. Organisations, we may hypothesise, will therefore get the information/communication dimension they choose to possess, though naturally within the constraints imposed by resources such as time and finance (Boddy & Buchanan, 1986). It should also be recalled here that these 'choices' may not always be the result of conscious deliberation, and are unlikely to be made with the concept of a company information/communication dimension in mind.

Deal and Kennedy (1988, p.31) have argued that the beliefs and values of a corporate culture 'suggest what kind of information is taken most seriously for decision-making purposes - experienced judgement of "old hands" in one organisation, detailed "number crunching" in another'. But it seems more plausible to suggest that all aspects of information and communication activity within organisations will be subject to the influence of their cultural milieu. For example, culture may determine whether communication within an organisation is predominantly oral or written: if oral information exchange is favoured the prevailing cultural norms could support either face-to-face meetings or extensive use of an internal telephone network. If written modes of information transmission are more acceptable then either memos or reports may predominate.

It is, however, not merely the predominance of a particular class and type of communication which organisational culture can influence, but a whole host of related variables, such as their structure, duration/length, standardisation throughout the company and degree of formality. Other elements of an organisation's formal information/communication system - the use of ad hoc committees, special 'task forces' and briefing groups, the extent to which new information technology has been adopted and effectively implemented and utilised, the scope for upward communication from junior management and shopfloor operatives, resources devoted to collecting and analysing externally derived information, and so forth, will all reflect choices influenced and conditioned by cultural beliefs and mores.

A limited amount of work has been conducted by researchers looking at communication and culture in different types of organisation (rather than corporations, which tend to be considered as a homogeneous set). Etzioni's (1974) analysis of communication patterns in what he calls 'utilitarian' cultures represents an early attempt to match a specific communication pattern to industrial concerns. Etzioni postulates that in utilitarian organisations vertical instrumental communication (in the guise of blueprints, technical textbooks, the directives of experts etc.) will be emphasised as a condition of effective production. In contrast, vertical expressive communication (in the form of preaching and praising) is characterised as 'limited'. Utilitarian organisations are considered a 'rational' organisation type in which coordination, planning and centralised communication are required as much as downward instrumental communication (see Read, 1959). In other words the red tape, files and archives that Weber interpreted as central characteristics of bureaucracies are recognised by Etzioni to be indicators of an extensive instrumental communication system. This analytical framework is too unidimensional and restrictive to be used directly in this thesis; yet while limited in terms of their scope and depth of analysis Etzioni's ideas do at least provide a platform for further research and an indicator of the ways

in which communication and culture can be juxtaposed in a theoretical model.

Boisot (1987) offers a very different theoretical model for the analysis of information and communication in organisations from a supposedly 'cultural' perspective. His conceptualisation is heavily dependent on two concepts, namely 'codification' and 'diffusion'. Codification refers to the extent to which information is structured or compressed, where spoken words and gestures are less codified (more ambiguous) than writing, and writing less codified than expressions of higher mathematics. Diffusion refers to the spread of information throughout a population. While in theory the more codified a message the larger its potential target audience, at the same time the greater is the training required to understand it. According to Boisot:

"The two dimensions of codification and diffusion create a culture space (C-space) in which communication strategies may be studied."

(Boisot, 1987, p.73).

Within this C-space 'knowledge' cycles, or patterns of information flow are identified. Organisations, according to Boisot, are social attempts to manage information flows, and an understanding of knowledge cycles and how they work can only improve their performance. His contention is that by placing the cycles in C-space the cultural dimensions of knowledge creation are affirmed, and a link established between the cultural strategies through which knowledge is structured and shared, and the effectiveness with which organisations are managed. Moreover, Boisot adds that the C-space defines an information environment for the development of social conduct.

Boisot provides a picture of information exchange in terms of a simple transaction model, or as he sometimes prefers to call it, a political economy of information. He recognises four transactional strategies:

- 1) market transactions, where information is diffused and uncoded;
- 2) bureaucratic transactions, where information is coded and undiffused;
- 3) fief transactions where information is both uncoded

and undiffused and 4) clan transactions, where information is uncodified but diffused. Transposed into an organisational setting he posits the following analysis of the relationship between codification, diffusion, information transactions and function:

codified	bureaucracies (production dpt)	markets (sales dpt)
uncodified	fiefs (R&D dpt)	clans (the board)
	undiffused	diffused

Boisot proceeds to state four hypotheses based on this model:

- 1) Effective R&D departments are managed like fiefs;
- 2) Effective production departments are managed like bureaucracies;
- 3) Effective sales departments are managed like markets; and
- 4) Effective boards are managed like clans.

His contention is that a mismatch between the required position of these functions as prescribed by his model and the actual management style of these functions in organisations can be ascertained and rectified to ensure their continued effectiveness.

3.17 Information and Organisational Decision Making

Organisational decisions are classically seen as derived from an estimate of uncertain consequences of possible actions and an estimate of uncertain consequences of uncertain future preferences for those consequences (Luce & Raifa, 1957; Taylor, 1975). Given this uncertainty, organisations make explicit and implicit decisions about

seeking and using information that might improve estimates of future consequences and future preferences. These decisions are also presumed to be based on estimates of the expected benefits and costs of particular information, information strategies, or information structures.

Within this basic framework, search behaviour, investments in information, and the management of information are driven by the desire to improve decisions. The value of information depends in a well-defined way on the information's relevance to the decision to be made, and on its precision, cost, and reliability. Information has value if it can be expected to affect choice; it is a good investment if its marginal expected return in improving decisions exceeds its marginal cost (Raiffa, 1968; Marschak & Radner, 1972). This perspective on decision making leads to some simple expectations for information utilisation. For instance, relevant information will be gathered and analysed prior to decision making; information gathered for use in a decision will be used in making that decision; available information will be examined before more information is requested or gathered; needs for information will be determined prior to requesting information; information that is irrelevant to a decision will not be gathered.

Studies of the uses of information in organisations, however, reveal a somewhat different picture. Feldman and March's (1981) observations concerning the anomalies between the theory and the observed information practices of organisations provides ample evidence of the need for cultural factors to be taken into account by any more sophisticated theory:

- 1) much of the information that is gathered and communicated by individuals and organisations has little decision relevance;
- 2) much of the information that is used to justify a decision is collected and interpreted after the decision has been made, or substantially made;

- 3) much of the information gathered in response to requests for information is not considered in the making of decisions for which it was requested;
- 4) regardless of the information available at the time a decision is first considered, more information is requested;
- 5) complaints that an organisation does not have enough information to make a decision occur while available information is ignored;
- 6) the relevance of the information provided in the decision making process to the decision being made is less conspicuous than is the insistence on information; i.e. most organisations and individuals often collect more information than they use or can reasonably expect to use in the making of decisions.

Conventional explanations of the reasons why organisations are less than informationally rational implicate human cognitive limitations, organisational structures which separate information-gathering and information-using functions, and a variety of communications problems which have their origins in factors as diverse as politics (Pfeffer, 1981), distance, technology and a host of personality variables. While these aspects of organisational life are obviously important this thesis maintains: 1) that their impact is usefully understood within the embrace of the cultural metaphor and 2) that cultural phenomena revealed by the cultural metaphor can enhance our appreciation of the non-rational aspects of information and communication activity within organisations.

It must be realised that information not only possesses symbolic value (status, power etc.) but is itself susceptible to interpretation as a symbol. Feldman and March (1981) have suggested the attractive hypothesis that intelligent choice based on a 'rational' approach to information is a central ideological construct of modern Western Civilisation to which its organisations are fully committed:

"The gathering of information provides a ritualistic assurance that appropriate attitudes about decision making exist. Within such a scenario of performance, information is not simply a basis for action. It is a representation of competence and a reaffirmation of social virtue. Command of information and information sources enhances perceived competence and inspires confidence. The belief that more information characterises better decisions engenders a belief that having information, in itself, is good and that a person or organisation with more information is better than a person or organisation with less. Thus the gathering and use of information in an organisation is part of the performance of a decision maker or an organisation trying to make decisions intelligently in a situation in which the verification of intelligence is heavily procedural and normative. A good decision maker is one who makes decisions in the way a good decision maker does, and decision makers and organisations establish their legitimacy by their use of information."
(Feldman & March 1981, p.177-178).

Thus information gathering processes possess symbolic value in the decision making process as an indicator that the 'correct' methods and tools have been utilised; it follows that when the legitimacy of decisions may be questioned or their future effectiveness contested, the conspicuous consumption of information is a sensible strategy for the decision makers. According to Feldman and March (1981) information use has most symbolic value as a signal of professional competence and decision legitimacy when performance criteria for the decision are obscure, i.e. the intrinsic quality of the decision is difficult to assess and/or when decision quality requires a long time to establish. This is a particularly interesting consideration that is further discussed with reference to case study material in Chapters 11 and 12

The dynamic and inter-causal role of the organisational variable 'information as symbol' requires some attention. Symbols create beliefs and beliefs stimulate the discovery of new realities and the exploration of new behaviour patterns. It follows that when organisations invest in information or establish information systems, however symbolic the initial reasons may be, they create a dynamic that may reveal new justifications, new opportunities and new behaviour possibilities. On the individual, as on the organisational level, tactical uses of information may be used to mould beliefs and shape the nature of cultural reality. One interesting consequence of this analysis is that as organisational norms change, the relevance of information as a symbol will also modify; while contemporary commercial organisations demonstrate a broad commitment to reason and rational choice based on information as a strategy for reducing uncertainty, this mode of thinking may not remain culturally dominant for ever.

3.18 Criticism of the Concept of Culture

Allaire and Firsirotu (1981) have argued that organisational culture is often treated as a cover term, inclusive of a multitude of organisational features from norms and beliefs to values and customs, and as such is of dubious utility. According to this view the concept of culture awaits a theory and a method for displaying the complexity of an interpretive system before it can be usefully exploited by the researcher. There are two points of rebuttal to be made here:

- 1) just because culture is a difficult and inclusive concept does not mean that it lacks explanatory or descriptive power, merely that it must be used carefully with ample consideration given to any definitional constraints imposed upon the notion within the context of a particular piece of research; and
- 2) while it is certain that there is as yet no consensus on either the theories or methods of cultural research in organisations there are theories which can be used and methods which can be

appropriated. They may not be perfect, but what theories and methods in use in the social sciences could make such a claim? In short, it is surely justifiable to adopt the theories and methods currently used in the study of culture in an attempt both to delineate their problems and limitations and to explore their potential for yielding insights into organisational behaviour.

3.19 Conclusions

While this review of the literature has sought to explicate the intellectual traditions from which cultural theory has emerged, and the diversity of views and contradictory stances promulgated by scholars working in the field, no attempts have been made to evaluate it as a research tool. Indeed, to do so here would be premature. Instead, a detailed consideration of the merits and problems associated with the cultural paradigm and the opportunities it has opened up to students of organisational behaviour is given as part of the conclusions to this thesis. A further major omission from this review is any attempt to define and elucidate precisely what is meant by the concept of a 'cultural paradigm' as used in this research, and this issue is also given a full treatment in Chapter 13.

What has been demonstrated is that culture is a useful metaphor which enlarges and deepens our understanding of organisations by allowing us to focus on those features of organisational life which other metaphors fail to highlight. These aspects, facets and processes emphasised by the cultural metaphor themselves form a set of variables that have tremendous descripto-explanatory potential. Furthermore, this thesis maintains that the cultural approach to organisations may constitute a social scientific paradigm and seeks to examine its utility for researchers interested in information and communication issues in industrial concerns.

3.20 The Cultural Model as Understood in this Research

The cultural metaphor is too rich, too diverse, and too heterogeneous to be used in a study such as this without considerable refinement. The cultural metaphor as understood and employed in this research is defined by the following theoretical propositions, which have been abstracted from Chapter 2 and owe a special debt to Louis (1981):

- 1) the primary locus of culture is shared meaning or collective understanding;
- 2) culture is, therefore, explored in its subjective guise, as commonly held values, beliefs, norms, and widely known myths and legends;
- 3) the cultural paradigm is oriented toward diagnosis and in-depth understanding of social systems;
- 4) its methodological and analytical predisposition is holistic;
- 5) culture is understood as a metaphor by which organisational and organisation-related structures, events and processes may be interpreted by those individuals who share in the cultural system; and
- 6) cultural understanding and appreciation is achieved (both by organisational employees and academic researchers) through a complex process of interpretation.

3.21 The Information/Communication Dimension of Organisations as Understood in this Research

The following aspects of internal organisational information were examined: its accuracy, timeliness, relevancy, sufficiency of detail, amount, ease of location, and oral/written forms. Communications within departments, whole subsidiaries and the Group itself were

considered, as were the impact of new technology, the structure of the management information systems (M.I.S.) and informal (grapevine) information. For a complete list of all the questions on the semi-structured interview schedule see Appendix 2.

CHAPTER FOUR

THE CASE STUDY ORGANISATION

"...the same principles that animated [the founder of the Group] animate his successors today. Central to those principles is recognition of the Company's simultaneous obligations to its consumers, customers, employees, shareholders and the communities in which it works. Implicit in such recognition is the concept of management not as the employer - that is the role of the consumer - but as an agent whose function it is to serve the interests of all these parties and to weld them into a harmony that provides pleasure for all. For in a competitive economy those who live to please must please to live."
(Johnson, 1968, p.31).

4.1 Introduction to the Group

The Group consisted of a Holdings Board and five principal subsidiaries. In addition to the main subsidiaries the Group owned a small distributing company in the United States and part-owned two others in West Germany and Hong Kong. The Holdings Board was composed of four executive and two non executive directors the most senior of these being the chairman and chief executive. The Group employed approximately 3000 people of whom the vast majority were women and more than half of whom were part-timers. The shareholder profile for the Group revealed that no single individual or institution owned more than 10% of the issued share capital, with private individuals being the largest share-owning sector with 38.88%.

The principal activities of the Group were the manufacture, distribution and sale of confectionery world wide. Within the U.K. it had two products in the top twenty selling sugar confectionery brands (The Grocer, 2.7.88). The Group's place in the industry was as one of the leading manufacturers of sugar confectionery (after Trebor and Rowntree who accounted for 27% of sales between them) in a market dominated by manufacturers of chocolate. While some sectors of the market have contracted steadily over the past decade in 1988 the U.K. market for sugar confectionery was still worth approximately £1 billion, with medicated sweets, gums, jellies and pastilles showing promising rates of growth. Nevertheless, nothing can disguise the fact that this has been a declining market, and in 1988 there were 40

fewer manufacturers of sugar confectionery registered with the Confectionery Alliance than in 1980.

4.2 The Impact of History

Culture is a constantly evolving feature of organisations, and any attempt to understand the culture of an individual company must be predicated on an understanding of the historical conditions from which it has emerged. Interestingly in 1978 a written history of the organisation had been produced by D.G. Johnson, the grandson of one of the two men who had founded the company in the 1860's. This document describes how in 1862 the company employed nearly 150 people. The years immediately following the end of the first world war saw the most striking expansion in the firm's history up to that time, with profits reaching a level not attained again until 1950. The business was converted to a private limited company in 1919. The death of the last surviving partner was the prelude to the flotation of the business as a public company in June 1926 with a capital of £250,000 in ordinary shares and £100,000 in preference shares. The £ ordinary shares were marketed at 35/-, while the preference shares were retained by the family who effectively continued to run the business. By the time of the outbreak of the second world war the labour force had increased to approximately 900 persons. Following the war, and the abolition of rationing and other controls over raw materials in 1953, the business was built up through acquisitions and organic growth to its present proportions.

Unfortunately the history of the company ends in 1978 and no updates to the original document have so far been produced. While this fact in itself is important, reflecting the change from an old family run operation for which history and personalities were primary, to a more modern, professional company, it also means that the significant events of the last ten years have not been catalogued. During the years from 1978 to the time this study was conducted in 1988 the company had experienced a variety of events which had had a major impact on its cultural life. The most important of these were a recognition of the failure of the old diversification policies, a takeover bid and a radical restructuring of the Group. Sufficient time had also elapsed to allow a reappraisal of the former family-oriented culture which many respondents recognised as being very different from the contemporary phenomenon. These recent events were widely known throughout the company and were salient features of the cognitive landscape, and will, therefore, be considered in detail here.

The company was essentially run as a family business until 1978 when the last family Chairman retired. The dominant characteristics of the pre-1978 family culture, which still held more than a residual

influence over the Group, included a dominant 'Zeus'-figure Chairman (see section 3.15), a preoccupation with status, and a destructive amount of political in-fighting:

"It takes a long time to change the corporate culture of a company. Status was all important in the 1970's; you know, you just had to be important.... I think [the company] had more managing directors than any other company in terms of how people described themselves; you know, the Marketing Director would describe himself as M.D., the production director would change his name to manufacturing director so he could describe himself as M.D.. I'm trying to get that out of the system."

(Chairman & Chief Executive, p.16, no.79).

These characteristics were still recognisable, though fading, within the Group's largest subsidiary (Company 1) which had the largest coterie of long-serving senior managers of any of the subsidiaries (see Chapter 5).

From 1956 until 1961 the company experienced a continuing decline in profits due to increasing competition, especially from the chocolate manufacturers, and while profits took an upward turn in 1961 they remained shaky throughout the 1960's, compelling the Board to reappraise its future policy:

"Faced with the continuing contraction in the home market for sugar confectionery after 1955 we seemed at first sight to have only two alternatives open to us: either a progressive decline in our home sales volume in common with the sugar confectionery industry or an increase in our share of a contracting market by uneconomic advertising and promotional expenditure. Either course would lead to a further decline in profits and to a future very different from that envisaged in the years immediately following the end of rationing in 1953."

(Johnson, 1968, p.20).

At first the company sought to strengthen itself by consolidating its position in the liquorice market and broadening its manufacturing base, notably by acquiring a specialist company in the children's

'own purchase' market in 1966. However, from 1976 the Board embarked on a disastrous policy of diversification into other markets, including the importation of toys, audio and T.V. games, electronic hand-held toys and calculators. The consequence of this haphazard diversification programme was that in 1980 the company declared a loss of £1.22 million. There followed a period of considerable change: the Board was largely replaced with a younger team at a cost of £250,000 in redundancy money, many of the more recently acquired companies were sold, and the core of the sugar confectionery business was restructured and modernised ('Marketing' 15.3.84; 'Financial Times' 27.1.84). The cultural impact of this traumatic era had left scars which had not healed eight years later, with caution and careful consideration the dominant attitudes shaping the Group's strategic planning; 'if I said they [plans] were 90% rigid that indicates a conservatism which is borne out by the history and the image with which this company is held.' (Chairman & Chief Executive, p19, no.102).

Under new management the company's profitability began to improve dramatically, which in 1984 led a local Yorkshire paper to assert that 'the board of [the Group] has done wonders in the last couple of years in reviving what looked like a shipwreck of a business in the seventies into the viable concern it is today' (Morning Telegraph, 26.1.84). The organisation's success did not go unnoticed and in 1984 Avana launched a hostile takeover bid for the company which valued it at £16.5 million. The Board opposed the bid, incurring costs of £271,000. Ultimately the shareholders did not find the offer sufficiently attractive, and Avana managed to acquire less than 8% of the company's shares. However, the cultural significance of this event should not be under-estimated; it made the company aware of just how vulnerable it was to a determined predator and reinforced the Board's emotional attachment to remaining an independent business. Interestingly, senior and middle ranking managers in the subsidiaries exhibited more ambivalent attitudes towards the prospect of being taken over by the 'appropriate' company, many of whom anticipated that this would lead to an increased resource allocation for their subsidiary and enhance their opportunities for promotion. -

The final major influence on the Group's corporate culture were the restructuring programmes to which the Board had periodically subjected the company. Until the late 1960's the Group was organised as a federation of largely autonomous companies coordinated only at Board level. A sudden change in philosophy initiated by the P.A. Consulting Group which had been called in to recommend how the business could be made more efficient, led to the large scale integration and rationalisation of the company's manufacturing facilities and sales forces. The result was that the Board of Company 1 gained effective control of the day-to-day operations of the Group from 1971 onwards.

This massively centralised authority structure prevailed until the 1980's. In 1984 Company 4 was purchased by the Group and allowed to maintain considerable independence from Company 1 with favourable results. The success of Company 4 and a growing dissatisfaction with a Group structure which placed such a heavy responsibility for maintaining profitability on a single subsidiary gave rise to a second radical restructuring of the Group. In 1986 Company 2 and Company 3 were 'extracted' from Company 1 and total profit responsibility for its own operation was devolved to Company 5. In 1988 each company had its own management team under its own managing director, and each company was encouraged to build up and maintain the identity, management philosophy and traditions which it had developed (is developing) over the years; each was a profit centre seeking to maximise its own profits subject only to the overriding authority of the Holdings Board, which performed coordinating, liaising and strategic management roles. The impact of this restructuring on the Group's culture has been vast and complex, and is dealt with in subsequent chapters.

4.3 The Cultural Impact of the Business Context

The nature of the sugar confectionery industry within which the Group operated was undoubtedly an influential factor determining the structure and contours of its cultural life. It should not be forgotten that the environment initially determines the possibilities, options, and constraints on a company, and thus forces it to specify its primary task or function if it is to survive at all (Homans, 1950; Schein, 1985). Fundamentally the business environment was perceived to be largely unpredictable and almost totally uncontrollable, perceptions which generated immense insecurity on the part of the senior management team. The most important unpredictabilities in the environment involved the costs of raw materials and the value of Sterling on the world currency markets:

"Well, like anybody we're extremely susceptible to the cost of raw material variations and the currency fluctuations. Yes, we are very vulnerable in certain areas. We have a major export business which is extremely vulnerable to currency variations.... It's a slightly uncertain environment but I don't think it's any worse than probably any other commodity. the producer has to cope."

(Company Secretary, p.25, no.56).

The environment was considered to be as uncontrollable as it was unpredictable, partly due to the comparatively small size of the Group relative to its principal competitors:

"We're a comparatively small fish you know. We rate fairly high in sugar confectionery, but sugar confectionery itself is very much the poor relation of the chocolate people. We're a brand leader in some respects, and so on occasions I think that the brand leader has to perform like a brand leader, and call the shots, but generally speaking we have to swim with the tide."

(Non Executive Director², p.20, no.95/96).

While many environmental variables were beyond the control of all companies in the market the subject Group had the added problem that only one of its products was sufficiently profitable to justify T.V. advertising; its influence over market trends was therefore marginal, adding to the Group's sense of vulnerability. The unpredictability of the business context and its lack of amenability to control by the Group were two causes of its historical tendency to introversion and reliance on a production rather than marketing-led strategy, points which are elaborated in succeeding chapters.

4.4 The Group and Data Analysis

Three items of data that deserve special mention are:

- 1) that the company, in contrast to nine others approached, was extremely enthusiastic about the possibility of taking part in this research;
- 2) that the company was keen both to help a university researcher and to gain feedback on its operations; and
- 3) the impressive degree of cooperation and apparent interest manifested by the respondents interviewed.

To some large extent this openness reflected the enthusiasm of the Chairman and Chief Executive of the company who was responsible for sanctioning the conduct of the project and enlisting the help of his Main Board colleagues and the managing directors of the subsidiary companies. This is, however, not a sufficient explanation: that this project was conducted in this company and at this time was also indicative of the widespread belief that the Group as a whole was

meeting the challenges of the market and confidence in its continuing ability to expand and succeed.

The following six chapters of the thesis represents an interpretation of the data according to the guidelines laid down by grounded theory and ideas derived from the interpretive/organisational culture literature. Chapters 5 to 8 provide an account of four of the Group's principal subsidiaries, while chapter 9 is concerned with the culture of the Group as a whole. Chapter 10 provides an overview of the Group's culture, its strengths and weaknesses, the Holdings Board's attempts to exert control over it and the forces for stability and change both within and external to the organisation. Chapters 11 and 12 describe a new product launch at Company 2 from an information/cultural vantage point, and seek to examine the analytical/explanatory utility of this approach to organisational behaviour.

These next eight chapters represent an exploration of the value of the cultural paradigm for the critical understanding and elucidation of the information and communication dimension of industrial organisations. The emphasis of the analysis is on the problems and difficulties the subject organisation experienced in the information/communication area and especially the question of the extent to which cultural factors could account for them. It also represents an attempt to provide a 'picture' of, inter alia, how the organisation regarded information, how conscious it was of the role played by information in its successful operation, the information systems it employed, the quality of its internal communications, and the information objectives it held and the strategies it had devised for attaining them. This analysis naturally makes constant reference to the cultural profile developed above in an attempt to evaluate and to explain information and communication-related beliefs and values, for the fundamental hypothesis of this thesis, that the cultural paradigm is a useful tool for information scientists and scholars of organisational communication, is here under test.

CHAPTER FIVE

SUBSIDIARY 1

5.1 Introduction

Company 1 was the largest Group subsidiary, which in 1988 achieved sales of £55 million and a trading profit of £2 million. It employed approximately 1900 people of whom 700 were full time workers and 1200 were part timers; all 450 male employees worked full time while only 250 women enjoyed full time status. Until 1986 the history of the Group and Company 1 were more or less synonymous (see Chapter 4). Following the restructuring programme of 1986 Company 1 was faced with a number of problems resulting from a surplus of personnel and a degree of ill will among some senior employees whose responsibilities had been diminished:

"Because this site was the Head Office, and the chairman, M.D. and everybody were here, I think we allowed overhead to build up when this was the Group.... You really can't knock the top off a building; you really can't clear people out for clearance sake - it needs half a generation or whatever to do that.... So I think it has its own specific problems being the body that's left when people keep tearing the arms and legs off it, and there's a limit to how fast you can react.... It's also a problem for the senior management who came to be managers of a multiple business: now they are managers of one site."

(Managing Director¹, p.14, no.16).

During the time period this study was conducted (May 1988 - Jan. 1989) Company 1 was still reeling from the shock of the reorganisation, and was only just beginning to focus on the challenges posed by the need to reorganise itself, invest in modern information systems and set realistic market objectives. The cultural ambience was thus one of reconsideration and refocusing on its image and 'mission':

"I think it [the company] has got a certain image as perceived on a local basis and I think that's because we've not made up our minds as an organisation what we perceive it should be.... There are directions being set, but again I don't believe they're positive enough. We still seem to be flying around and we don't seem to have sorted out quite where we want to go. Now I'm not saying we should have, I'm just saying we seem to have been in No Man's Land a bit too long."

(Operations Manager¹, p.20, no.30/31).

Interestingly, some action had been taken to improve the internal organisation of the largest department, the production function, action which mirrored developments then taking place on the macro (Group) scale. In 1984 the production director¹, in conjunction with his colleagues on the Board of Company 1, decided to split the then monolithic production department into three quasi-independent manufacturing units. The restructuring of the department concerns this research for two principal reasons: first, one of the motivations for the restructuring was informational; and second, such a radical alteration has, inevitably, had a significant impact on the production culture within the company. A variety of memos and reports issued between May 1984 and April 1985 provide a vindication for the plans to restructure the department from an information/cultural perspective in terms of the following points:

- a) it was considered that the breadth of management within any one unit should not be so wide that due attention could not be given to 'all necessary matters'. Instead, a more compact span of control was desired, which permitted individual managers to gain a deep understanding of the affairs relevant to them;
- b) it was thought that the distance between the workplace and the senior managers should not be so great that ideas did not penetrate all of the layers in the hierarchy in-between the shopfloor and the operations manager. Rather, a far closer

relationship was desired between all levels of management and line workers, such that chains of communication which permitted a faster and more open two-way dialogue were to be generated.

- c) it was hoped that the restructured department would preserve and enhance workforce loyalty towards their unit by defining their work space more formally, hopefully ensuring that everyone who had a bearing on manufacturing would feel 'deeply and keenly involved' in the products they helped to produce.

By the time this research was conducted the objective of establishing two principal business units (one producing gums and jellies, the other producing liquorice products and boilings) and a smaller similar business unit producing powders and nougats, had been accomplished and operational for approximately two years. Each business unit had been developed as if it were a self-contained factory, having its own raw materials storage, production and packaging facilities, and a range of technical and other manufacturing services. In addition, the management structure had been altered, shortening the lines of command; the operations managers were appointed as heads of the new units and were answerable directly to the production director, just as teams of four senior managers (a production manager, an engineering manager, a quality control and hygiene manager and a manufacturing services manager) were answerable to them. Many functions, however, such as personnel, accounting, some technical services, warehouse and distribution, stores, and purchasing remained centralised, and serviced all three production units. Nevertheless, the original broad strategy to provide each business unit with the resources sufficient to develop its own production plan, to produce to that plan following each order through to completion, to control its own quality, to monitor its own costs, to maintain its own plant and machinery, to identify and carry out its own technical improvements and to make its own forward plans, had been realised.

The restructuring had generally been welcomed by the management teams who felt that they were now more independent, confident and self-

reliant. There was also some evidence that the smaller units were becoming more cohesive, individuated, and culturally distinct, with individuals being very much aware of territorial boundaries between units and the quite separate lines of authority and dependency which had been instituted. Several respondents noted the dangers associated with this new order, citing lack of coordination and integration of ideas (see the comment by the unit engineer¹, directly below), and intra-cultural/communication conflicts as actual or incipient problems that required attention.

"The [i.e. against the restructuring] is that you don't have a central engineering function, in particular a central development function, whereby we've got a packing department here, gum unit have got a packing department, and to a lesser extent powder have got a packing department. In an extreme case you could get three people working on similar things and coming up with three different answers. So you could end up with three different machines on site needing three different lots of spares keeping in stock, you know, things like that.... The advantage is that you're given tighter control, you can react quickly to problems; they're more apparent, they come to the surface quicker, you've less of them because you've less machinery, less people to look after. It has worked, I mean I think the facts and figures that have been produced will show that."

(Unit Engineering Manager¹, p.12, no.71/73).

5.2 The Cultural Profile

5.2.1 Personnel Orientation

The company was concerned with the rights and working conditions of its employees, had benevolent intentions towards them, and took pride in its ability to provide so many people with jobs:

"If nothing else there's a feeling that it's a company that is available to them as employees."

(Managing Director¹, p.13, no.1).

However, some middle ranking and senior managers noted a number of 'problems' with the company's personnel orientation, indicating an oppositional sub-culture. These individuals pointed out that while poor performance was tolerated, high achievement was treated with a similar indifference, making for a philosophy of 'low expectation paternalism':

"We're paternalistic, but we are a low expectation paternalism, so the paternalism will mean that on the one hand we will put up with a poor performance for years and years, but the other side of that is that you don't reward the high performers, so the paternalism is only one way. You're not overall being warm and everybody being people-oriented, because we're not. The people orientation occurs by the fact of not expecting enough of people I believe."

(Assistant Production Manager¹, p.26, no.47).

"We certainly accept ourselves that we care a great deal and we are very proud of telling other people that we care a great deal, and we do care at a certain level. I'm not suggesting that the hierarchy throughout the organisation has a different degree of caring, we do care about the basics of providing bread and butter. I'm not sure that we are sufficiently [caring] about the jam.... I think that we are a caring organisation in that we would not want to tear up a person's livelihood... but I'm not sure that we are as sensitive to the needs to provide the living standards. I have a particular thing about this that I think that a person who does a good job, consistently, deserves to increase his reward package fairly routinely."

(Production Director¹, p.26, no.25/26).

In sum, Company 1's personnel orientation was based on strong egalitarian principles, which stressed the equal value of individuals and individual rights, and was far less concerned with their abilities and motivation.

5.2.2 Loyalty

There was intense loyalty to the company and to its products. This loyalty was evident at all levels in the hierarchy from the shopfloor operatives to the managing director. The high levels of loyalty had developed largely because of the considerable numbers of long serving individuals employed by the company. The relaxed, casual, uncompetitive and caring culture of the organisation were also undoubtedly conducive to this end:

"Being an employee of [Company 1] for 25 years, I have got to say that they have been very good to me and they are conscious that they have people working for them, and they're good to them, and if they can do anything to help they will."

(Production Planner¹, p.13, no.48).

"The people care, and they're proud of the product and they're proud of the packaging."

(Managing Director¹, p.13, no.1).

5.2.3 Informality

The culture was characterised by a high degree of informality. This informality was associated with a perceived lack of clear lines of authority, democratic norms which effectively precluded management by threat, fear or cajolement. There was also a cultural preference for face-to-face communication, relatively unrestricted access to information resources, and informal and ad hoc information exchange which encouraged individuals to use each others' first names rather than job title or surnames:

"We have a department which is very loose, there's no formality, there's no

'Mr. -'. The informality sometimes does lead right the way through the structure, of people not perceiving where their bands of authority start and where they finish. What I'm really saying is that informality actually can work against the hierarchy of management; 'cos you try to impose a hierarchical structure on a structure which has been very much informal, very democratic. If somebody's wanted to know something then they've been told, but maybe that should have been the case, maybe they shouldn't have known that anyway because it's not their job to know it because if the knowledge of pooling information is fairly general within any working group of people, if you try and impose a structure which says 'I'm responsible for the totality, immediately below me is responsible for a bit less than that', then you start to get people saying 'I'm not motivated because noone's telling me what's going on above me'."

(General Manager, Trade Development¹, p.11, no.56).

From the point of view of this thesis the most interesting manifestation of the cultural preference for informality was the tendency to rely on informal, unplanned communication:

"The only planned meeting I have lasts for about an hour and a half once a week, apart from the morning coffees.... That's because I believe in arranging meetings for specific topics rather than just sitting down having a meeting where people can get into a mode of just preparing answers for meetings rather than getting on with the job. If something needs solving as a group then we will form a meeting quite quickly because we're all within eye-shot.... So it has to be pertinent, but again I know lots of industries who live on meetings. Personally I'm dead against that, that's totally negative; people try to behave positively in meetings and not on the shopfloor."

(Operations Manager¹, p.4, no.29).

"The situation close at hand is that if I'm not telling someone what they need to know they'll come and ask me. We are a fairly close-knit team in that respect.... But it's very informal."
(Unit Engineering Manager¹, p.10, no.62)

Informality was not only linked to democratic and consensual norms (see section 5.25) but the relaxed and casual approach to work sanctioned by the more general company culture. Conjunctively these traits forged a work environment which permitted individuals to avoid taking responsibility and making decisions and an ethos which mitigated against corrective and remedial action being taken with respect to those individuals who failed to fulfil the remit of their duties. Almost inevitably difficulties occurred which could at times trigger a breakdown of normal company cooperation, with conflict supported by individuals political and promotional aspirations finding vent in the withholding and distorting of information.

5.2.4 Lack of Professionalism

Company 1 possessed a culture lacking in professional values and ability. Outside the senior management team the level of professional competence was especially low. This reflected the low priority training had in the past received from the company, a fault which had been recognised and for which remedial treatment was being taken:

"It's [the Sales and Marketing Department] become more skilled, I think probably the training is better."

(Product Group Manager, Development¹, p.3, no.21).

"We're quite heavily involved in training. Basically the lower levels of management at the current time, the supervisors, forepeople etc.... And the response has been exceptionally good because bearing in mind that most of these supervisors are middle-aged ladies who've never been on a course, [and] were exceptionally worried to start

with, the response has been phenomenal when they come back."

(Operations Manager¹, p.12, no.60).

Lack of professionalism was not, however, restricted to shopfloor operatives, clerks and junior salesmen. There were also some long serving senior managers nearing retirement whose professionalism was, to say the least, questionable. In this case, it was not so much a lack of training as a tendency to promote from within (rather than bring talented outsiders into the organisation) that was a primary cause of this state of affairs:

"Relaxed is a nice way of putting it. It's not really relaxed, it's 'does it matter? - it doesn't matter to me'. The age structure doesn't help. We've got quite a few senior managers who are on the glide path to retirement now and are not striving for anything for themselves anymore; therefore, what they want is a relatively quiet life, but it's at the expense of any kind of drive or success. There is no one throwing up trees out there."

(Assistant Production Manager¹, p.27, no.57).

This cultural trait was manifested in diverse ways:

a) A reliance on out-moded systems and a resistance to change:

"Well I think it [the company] has got, well, the feeling that comes across to me, again going back to the older element in particular is this feeling of, 'we've been like this for 20 years, it's always worked like this, it still works, we don't have to change'."

(Unit Engineering Manager¹, p.23, no.60)

b) A casualness in approach, in terms of goals set and control mechanisms:

"I don't think we set ourselves too tight objectives and the repercussions aren't there should we fail to meet them.

(Operations Manager¹, p.25, no.63).

c) Painstakingly slow decision making processes:

"The decision making process here is rather subtle. you start off by saying well, 'what decisions?'.... Whether by design or accident, I'm not quite sure which, it tends to happen that decisions which aren't made and which one might get wound up about at not being made, it tends to be that the root cause for the decision actually goes away, so it is not wrong not to have made the decision in the first place, which is interesting. You could say it's rather subtly clever. Decisions that have to be made, I think probably do get made. Those which folk might jump at making perhaps prematurely, are seen for what they are."

(Production Director¹, p.27, no.30).

d) An unwillingness to make decisions and take responsibility

"A lot of people expect decisions to be taken for them, and to not really have to put any effort into that decision making process, because it's outside their control, they can't have any influence on that decision, whereas the opposite may be true."

(Unit Engineering Manager¹, p.24, no.82)

"It comes back to the whole style. Some people are frightened to actually admit to themselves that they are responsible for something not having gone right; and because historically they've never been found out in that sense and nobody's really slapped them down really hard...."

(General Manager, Trade & Development¹, p.12, no.63).

5.2.5 Democracy and Autocracy

The culture of Company 1 was democratic, featuring both consensual and participative norms and values. The democratic nature of the the culture was apparent from a variety of beliefs:

- a) that there was and should be a general openness of style:

"I think we operate in a very open style, so yes, it's an open operation."
(General Manager, National Accounts¹, p.9, no.66).

- b) that decisions should be made in teams or by committees:

"We tend to make a lot of decisions by committee, which can prove dangerous."
(Product Group Manager, Development¹, p.3, no.23).

"I see myself as a leader and co-ordinator; I'd sooner the team made a decision rather than me saying 'we are doing that'. I mean I can only think of 2 occasions where I've had to say 'I'm sorry, I win the shooting match, we're going to do it this way to start off with'. That has happened a minimum of times."

(Operations Manager¹ p.14, no.74).

- c) the preference for an 'inclusive' decision making process, involving as many people as possible in pre-decisional discussions:

"I must admit that the democracy within the department, you know, we do discuss things right down to clerical level."
(Wages Manager¹, p.17, no.33).

I would like to think that people are consulted before decisions are made."
(Management Accountant¹, p.18, no.62).

- d) the decentralisation of authority, especially within the production department:

"Decisions, say, regarding investment, in buying machinery, is very definitely devolved; it's autonomous within the unit. We make our own decisions about machines, what we want, what we are going to do, etc.... I must say that in 9 times out of 10, 99 times out of 100, I find that authority, I would say for me, is devolved.... In terms of my operational decisions I think it's fairly well devolved."

(Assistant Production Manager¹, p.29, no.68).

Given the extent to which the company was democratic there was an almost inevitable reaction against what was perceived to be 'excessive' democracy, which was linked by some respondents to the organisation's casualness and lack of professionalism:

"At the moment I think it's very democratic in that people are consulted quite a lot and things, policies, are thrashed quite a bit before a decision's made. I suspect it's probably a little bit too democratic at the moment. I would personally prefer [a] little bit more dominance if you like, because I think people respond to it; they like to feel that the Board are making decisions rather than asking them all the time."

(Finance Director¹, p.22, no.57).

"...we hold it as a good thing to be democratic. I'm all for democracy, [but] at the end of the day somebody's got to have hold of the reins - make a decision. I think in Company 1 we tend to be too democratic and things slide for too long."

(Operations Manager¹, p.25, no.63).

Moreover, the democratic style could be distinctly 'combative', with emotion substituting for rational discussion and debate flavoured with political and personal animosities:

"...have I used the word 'adversarial'?
- there is a tendency within [Company 1]
to debate and discuss issues, not by
reference to the broad issues on the
table, but by reference to a stream of
specific examples, and discussion has to
be adversarial in nature."
(Production Director¹, p.18, no.86).

5.2.6 Competition and Cooperation

The cultural values of Company 1 favoured internal co-operation over competition, though again there was an oppositional sub-culture:

"I think it is unhealthily
collectivist."
(Production Director¹, p.10, no.43).

To some extent this emphasis on co-operation was determined by the executive directors of the company who saw their own 'collectivist' work ethic reflected in the cultural fabric of the organisation:

"If the Board set themselves up as
individualists who are battling against
each other for recognition or something,
then I guess that permeates all the way
down. If the Board tend to see
themselves as a team, then that will
work its way down. I think that we are
seen more as a team than perhaps the
Board used to be seen as,"
(Finance Director¹, p.22, no.56).

Perceived functional necessity also played a role, in that the need to cooperate to ensure task achievement effectively constrained the development of a competitive ethos. Thus while some attempts had been made to introduce an element of competition between shopfloor operatives in production (for example, by posting up machine efficiencies), these were extremely small-scale and limited, as

cultural beliefs failed to attribute significant merit to competitive action:

"Other than the pride they have in their own section it [competition] wouldn't be, you wouldn't gain anything, because they are so closely inter-knit that you really want one end result, you wouldn't want four good results making one result, you're after one result."
(Operations Manager², p.2, no.6)

In sales and marketing a competitive ethos was more actively encouraged by means of a system of information bulletins which informed salespeople which of them had performed best against a variety of criteria, and a performance related bonus scheme. But this competition was restricted to the salesforce in the field rather than the managerial team resident on site:

"If you are saying 'do individual sales managers compete against their other sales territories?', yes of course they do. This is what the name of the game is. It's inspiration, if a guy can beat another one or a girl for that matter, then that's what it's about. Regular bulletins are issued saying who's top of the pile this week or next week and so forth."
(General Manager, National Accounts¹, p.10, no.68).

The finance department was the most cooperative of all, with no cultural support for competition at any level in the management hierarchy being evident:

Q: "Is competition encouraged between individuals?"

A "No, it's probably more than any other job a team job.... We're all aiming for the same thing, to get people paid on time. We know that if we drop behind we're not going home.... And there is closeness between the girls, they're always helping one another because of the common objective, and the common having to stay at night if you don't achieve the objective, or work through your dinner.... I wouldn't say there's competition between people." (Wages Manager¹, p.10, no.67).

Q: "Is competition between sections within finance encouraged?"

A: "I wouldn't say it's encouraged, I don't think it exists."
(Sales Ledger Manager¹, p.2, no.7).

Company 1 possessed a highly cooperative and collectivist culture, the values and beliefs of which eschewed competition at all but the most junior levels. A newly arrived manager who had previously been socialised into a culture which demanded competitive action voiced his frustration at the lack of competitive inclinations of Company 1, providing us with a qualitative observation of the strength of the cooperative values espoused by its culture:

"The important thing about competition... is, of course, though you wouldn't notice it from looking at Company 1, actually we are in a deeply competitive marketplace.... I don't see the evidence of this competition. There are just a few people who are trying to compete with themselves, with other areas within the factory, other departments, other managers, and in so doing... succeeding.... In fact, the converse where you get someone who is trying to compete it's usually regarded with suspicion."

(Assistant Production Manager¹, p.13, no.72).

5.2.7 Conflict and Confidence

Among senior managers levels of trust and confidence were now generally high, a cultural feature that had changed quite recently:

"I think for a while there was an element of fear within this business - that's gone."

(Managing Director¹, p.16/17, no.86).

However, more than any of the other Group subsidiaries there was considerable variation between the departments in terms of their conflictual activity. Within production there was little evidence of conflict between higher ranked managers in each of the three manufacturing units, which were operated by small teams who met regularly during the course of a working day:

"We have a social coffee meeting every morning. We, [operations manager¹] myself and the other managers get together to have a drink of coffee and we discuss work, we discuss families, it's... everything gets discussed really. It's quite a good way of getting people together, and getting people to trust one another. Possibly when you trust one another you're not so worried about letting little secrets out."
(Unit Engineering Manager¹, p.11, no.68).

"...we are a relatively small team and we talk to each other fairly frequently, and there is a professionalism as well. Despite all the things I've said about what is actually making people tick and blow the world apart or not, nonetheless in terms of professional relationships. I think we are quite confident at passing information to and from accurately."
(Assistant Production Manager¹, p.16, no.89).

There was greater scope for misunderstanding and conflict between senior production managers and the junior managers, shopfloor operatives and their representative unions, who had not been so successfully socialised into the high confidence culture:

"...when dealing with shop stewards, 'production director said....' Now production director didn't say anything of the sort, or if he did he said it in a context quite different to that in which it is being quoted. That happens obviously not infrequently."
(Production Director¹, p.18, no.89).

"I think management withhold far too much information. I mean they do tell us news but I don't think they trust us fully, you know, I think they just tell us what they want us to know."
(Despatch transport¹, p.2, no.8).

The scope for conflict between the three manufacturing units was also quite considerable, partly because of the dependency of Unit 1 on Unit 2 for some of its products, while ^{Unit 2 was} fully independent of Unit 1 itself. In addition, individuals were already beginning to identify with the unit in which they worked, and were coming to consider the area, equipment and products they produced as somehow more meaningful and significant than the others. In short, the three manufacturing units were beginning to develop distinct cultural identities which harnessed the energies and loyalties of the personnel who worked within them.

There was also evidence of tension between production and engineering managers:

"...we're going back to this production/engineering thing again. To a production person engineering is just telling that bloke to do that job, and he does it there and then, that's it. It's not quite that easy. They can't understand that it can take an hour to get a part out of the Stores, things like this. They can't understand that if a fitter's stood in the workshop he's not idling his time. And I suppose being fair about it, it's difficult for me to see why a woman can't press the buttons on the machinery every time; and if she doesn't do it why she can't have a kick up the backside sometime to make sure she does it right next time."
(Unit Engineering Manager¹, p.26, no.99)

Such tensions were, though, of minor significance compared to those conflicts which could develop between the sales and the marketing sections of the sales and marketing department where actions could take on a quasi-political guise:

"Let's be honest, the theory of marketing is a dream-world, and the theory of selling is reality. Putting together the dream and the reality can be an awful bloody nightmare sometimes."
(General Sales Manager¹, p.3, no.17).

"There is quite a lot of aggression between sales and marketing, occasionally arguments get heated."
(Product Group Manager, Development¹, p.2, no.12).

Here channels of communication could occasionally break down, with information being manipulated for sectional advantage, or deliberately held-up:

"[Before the two departments were conflated] we didn't always communicate all the things, and there sometimes were, not politics in the real sense of the word, but there were departmental politics, and so you didn't always get the whole truth and nothing but the truth."
(General Manager, Sales & Marketing¹, p.11, no,50).

"It's basically the sales side, because we do have clashes and when we have clashes about certain things it makes you less inclined to communicate with them for a length of time."
(Product Group Manager, Development¹, p.3, no.14).

Nevertheless, there was a general consensus that the binding forces of mutual dependency which held the two sections together were far more powerful than the tensions which sometimes arose between them, especially since both departments had been placed under a single combined marketing and sales director:

"...there is a slight inhibition I suppose, or difference between sales people and marketing people, by the very nature of their basic jobs. But what is totally understood I hope is that one cannot do without the other. I mean it's mutually beneficial... and the lines in modern times are getting more and more blurred anyway, so they've got to be good."
(Sales & Marketing Director¹, p.9, no.63)

What is interesting here is that for a meaningful analysis of Company 1's cooperative and competitive cultural characteristics to be made separate accounts of the three main functional areas investigated have had to be given. This has important implications for the initial hypothesis that a single corporate culture could be identified for each individual company. In fact, in the view of the author Company 1 can be described as possessing an essentially cooperative culture, but as has been demonstrated this broad generalisation leaves much unsaid.

5.2.8 Narrowness and Introspection

Individuals knowledge and experience within Company 1 tended to be bounded by their functional speciality, which in many cases meant that employees had little knowledge of the business outside the specific task they performed in one area of one department. Cultural norms dictated that senior managers based in one department did not 'interfere' in the operation of the others, and had little idea what problems they faced. The narrow and introspective focus of individuals was cemented by the use of technical vocabularies and jargon terms that made inter-departmental understanding exceedingly difficult:

"Unfortunately we are a typical role culture, and particular functions keep fairly separate, and having their own specialisms; and because of this we tend to operate with jargon. Therefore, engineers may talk one language and marketing people [another]; people can start using terms which others don't understand."

(Assistant Production Manager¹, p.4, no.20).

One reason for this cultural trait was the sheer size of the company and its departments:

"It's too big a company for people to intermingle. It's like catching different buses and seeing different bus conductors; they're all doing the same

job, but they're all on different routes."

(Secretary to Finance Director¹, p.2, no.6).

But narrowness of outlook was also the result of a deliberate company policy not to move people across a broad range of functions:

"I think that the way in which the personnel ethos [works] is quite important as to how people react to each other and how open or closed they are. I think people are normally quite open with each other; they're probably more open within functions than across functions. A lot of that is to do with the company being very much functional specialists, which I suppose comes back to one of my personal angles, that we don't have this personnel policy of trying to cross-fertilise people. The personnel policy seems to be directed more within the functions than across."

(Finance Director¹, p.24, no.78).

5.2.9 Production-constrained and Marketing-led

The company was obviously constrained in terms of what it could manufacture and how efficient the production runs were by the facilities and skills of the production department. Given these constraints, it was a company that, at senior management levels, recognised the need to be responsive to the demands of the market. This perception of the need for the company to pursue a fluid, marketing-led strategy was even evident at more junior levels within production:

"The main objectives are rigid; that we endeavour to perform to standard or better than standard as a routine basis. But the plans to achieve that are reasonably fluid because the business is quite fluid. So we constantly review it to see if we can put together a better format to perform more efficiently. If you look at the future then again it's quite fluid, because being a marketing-led company then we have to be as

responsive as possible. So that I can perceive that I need to enable me to produce to forecast, and what I see in the future, then that can alter dramatically with new products, whatever."

(Operations Manager¹, p.22, no.50).

While it was recognised that there was a need to be responsive to the demands of the market and to create 'brands' rather than products that could not be easily distinguished from other similar items, the company was not wholly marketing-led. The production department was by far the largest of the functional areas, the production director was extremely influential and traditionally the company had relied on the skills of the production team and the quality of its products. All these factors combined to forge a culture which made it difficult for the marketing and sales department to take control of the direction of the company. This is not to say that the department had not had its successes, the recent re-launch of the organisation's most famous product was, for example, widely positively regarded within the company. But the organisation continued to rely heavily on products it had developed years ago, and although steps were being taken to strengthen these in the market and the appointment of a separate marketing director was imminent, the constraints imposed by production seemed likely to prevail for some time to come.

5.2.10 Pace of Activity

The corporate culture of Company 1 supported a relatively slow pace of work activity for individual employees and of progress for the company as a whole:

"I think it [the company] always seems to move only when it is safe to do so, and always with balance; the great corporate phrase is 'balance'. It is not a risk management organisation.... I think we are generally slower to adopt change, and I think that we should be further down the road than we presently are. If we were more aggressive and more ready to take on more

reorganisation, we would be further forward."

(Production Director¹, p.25/26, no.20/29).

"It is a fairly relaxed company compared with the companies I've worked in."

(Secretary to Finance Director¹, p.1, no.5).

Interestingly, there were a few respondents who rejected the idea that the company culture militated against quick responses:

"I think we're perceived externally as a relatively slow moving company.... I think internally we can actually be a lot more responsive than that, and occasionally we are - but it takes a long while for the perception to change."

(Finance Director¹; p.22, no.60).

Possibly the least relaxed department was sales and marketing, the high external profile of which encouraged a more vigorous approach to their work tasks. However, the difference was not so marked as might have been expected, and it was evident that the all-pervasive company-wide bias towards a 'measured response' combined with the department's dependency on other areas of the business which made it futile to move too quickly, were restraining forces:

"The information I seek and search for is usually perhaps filling in prices, recipes.... There is a lot of work behind the scenes in these areas and I think rather than me describing it as being late I think it's me putting the pressure [on] in terms of saying, 'look, I'd like that yesterday'; and generally speaking I find that people are responding well with that and therefore it is not a cause to complain. it would be unfair to judge them being late."

(General Manager¹, p.4/5, no.19).

5.3 Information/Communication Profile

5.3.1 The M.I.S.: evolution

The M.I.S. in place at Company 1 had developed, with continuous updating over a long period of time. The most recent changes that had been implemented had been made necessary by the restructuring of the Group. However, the basic structure of the M.I.S. had a long history, and was in sympathy with the culture of the subsidiary.

5.3.1.1 Description

Board meetings held every two months were complemented by business development meetings for all senior executives and senior managers; these represented an opportunity for the managing director to give a monthly overview of the business and for problems and opportunities affecting the whole business to be discussed.

The sales and marketing department relied heavily on a large number of pre-arranged meetings, many of which were minuted, rather than the production of detailed written reports. The most important reports that were generated were: 1) the national accounts manager's monthly report on each of his accounts, which gave a summary of year on year comparisons for them together with information on recent innovations and projected trends; 2) a four weekly forecast of sales six months ahead, largely for the benefit of production and stock control and notoriously inaccurate; and 3) a board report, produced by the sales and marketing director for Company 1 board meetings. A large number of ad hoc reports were also produced concerning various aspects of the market.

The department thrived on meetings. The four general managers met weekly, with every fourth meeting being chaired by the sales and marketing director. These meetings were complemented by six-weekly meetings of senior sales and marketing personnel. There was also a new product development meeting involving all the marketing and senior

sales personnel. Specifically for the field salesforce, the general sales manager held six-weekly meetings with his three divisional managers and met his twelve area managers for a development meeting two or three times a year. A number of training and ad hoc meetings were also normal.

The finance department produced annual statutory accounts and an annual budget. The main report compiled was the four weekly management accounts, which was an extremely detailed document of circa 50 pages detailing the sales and expenses by department and function across the company. A number of smaller subsidiary reports fed into the management accounts. Financial forecasts were made concerning the cashflow (weekly for the next four and twelve months), capital expenditure forecasts and less regular profit forecasts. Within the department the financial director was involved in just two bi-monthly meetings, the first with the senior computing staff and the second with senior financial staff. These meetings were not usually minuted, though action points were noted if exceptional problems arose. Due to the spatial proximity of the individuals concerned more formal meetings were considered unnecessary.

A series of regular meetings kept the production director in touch with his senior production team in the three manufacturing units. Each unit produced an annual budget. Within the units a variety of reports aimed at facilitating day-to-day operational efficiency were produced, such as production plans, labour cost control documents, efficiency figure reports and plant maintenance reports (for the benefit of engineers). Some ad hoc reports, justifying the purchase of new equipment for instance, were also produced.

5.3.1.2 Problems of the M.I.S.

Despite the concerted effort that was being made to improve the existing formal information systems and to develop new ones the fact remained that there were still considerable problems with Company 1's M.I.S.. This was recognised throughout the organisation:

"Our systems are not up to the rate of change that we are trying to achieve. The detailed major quality time limits of the information which we need is not up to the sophistication and complexity of the market place."

(Production Director¹, p.30, no.47).

"If we talk about information systems within the company, it's a recognised fact that the information systems within the company suffer from having been left alone for between 7 and 10 years because the investment required to put in new computers and so on was not forthcoming. We were having difficult times, we were behind."

(General Manager, Marketing & Sales¹, p.2, no.3).

Within the production units problems frequently arose because the systems could not cope with the large amounts of small information items that needed to be transmitted:

"I suspect it's [communication] quite poor... because seldom in terms of measurement of our business success do we do things right first time; do we provide customers with all of their orders all of the time or alternatively make other arrangements? I think the answer is that no, we tend not to. We fall down quite a lot of the time because we tend to work in a fairly compartmentalised sort of way, and it is such a complicated business with such a large amount of small information items, ideally being required to be passed around the business, and there isn't sufficient time in the day for all of those items of information that need to be passed and therefore folk guess that something is happening, and they haven't heard to the contrary, and of course it's not happening. At the end of the day in terms of manufacturing the customers orders, most of the problems I think arise not from ill-will or a lack of effort but rather because of systems, which I think perhaps are overloaded for the purpose and information 'float' which tries to by-pass systems in order

to pass through the system bottleneck. That's when I think problems start to occur - when that verbal information breaks down."

(Production Director¹, p.17, no.78).

A major problem was that some internally produced information was known to contain a high margin of error, making reliance on it for planning and decision making purposes extremely problematic. From the point of view of production both financial and sales forecast information could pose difficulties:

"People in the engineering department are generally able to be reliable in what they say about what they are about; the administration department (personnel) are high percentage accurate in what they regard as items of administration, and don't often get things wrong regarding people. The financial data we get, the financial information with which we are provided regarding our performance, and indeed our own information regarding performance is not as reliable as we would like, but we know often in which areas it's not reliable. We don't know why. The least reliable information comes without doubt from sales and marketing who are quite often fairly substantially inaccurate; for instance sales forecasting."

(Assistant Production Manager¹, p.1/2, no.8/9).

A further difficulty for the production teams was that, because of the inefficiency of the information collecting and processing systems much information produced by the finance department was very untimely:

"...if you take for instance the management accounts analysis of a particular period, it is always at least two weeks and usually three weeks after the end of the period, so it's actually seven weeks old in relation to the beginning of the period, and that is an extremely wide gap if you are going to

take any kind of action related to those figures."

(Assistant Production Manager¹, p.3, no.14).

There was a lack of information in certain areas, notably concerning the profitability of product lines which made production planning and marketing and sales strategies impossible to develop economically rationally:

"Because of the way we manufacture foam if you sort of think it through, we manufacture foam by the trayful, but different types of foam products, we have different quantities per trolley and they sell at different profit margins, so the real question is if you've only got a limited number of trays that you can process, we ought to look at the profitability per tray for the various types of products and see which products give us the biggest pence per tray. The information isn't really available. Having thought the thing through what we need to do is to get this information through."

(Production Director¹, p.5, no.24).

There was a wealth of information that had not yet been extracted from the memories of individuals and keyed into a computer database or even written down:

"The thing that struck me I think when I first started, was how much information is kept in peoples' heads, on the production side especially. We've got sort of experts who can poke and prod at the product and say 'oh yeah we need a little bit more of this, or a little bit more of that'. There are recipes written down, but I've never seen anything that really goes into - if you prod it and your finger goes in half an inch it's alright.... Again, from the engineering point of view, we need to get the processes broken down more technically and define the parameters that make up the systems. You know we might say it's a very humid day so line

two won't run very well. Now as we go further down the route of automating the plant I need to know is it the R.A.H., is it the amount of moisture in the air that causes the problems, and if that's the case what do we do to overcome it and make the parameter consistent for our process. A lot of that kind of information is not readily to hand, has to be prized out of people's heads."

(Unit Engineering Manager¹, p.10, no.63/64).

Unsurprisingly, perhaps, a vast array of day-to-day operational information/communication problems were exemplified by the respondents ranging from an inability to locate desired information to an inability to keep track of the workforce:

"There was a privately owned customer called *** we got an order from. When we get orders we check on the computer to make sure that if there is some stock in we may use it if it doesn't belong to another order, and the computer was showing that we had some stock, so we tried to locate the order that the stock would be used for, because with *** we only pack to order. It took ages and we never located it, and there must have been an order in the first place. So whether it just had not been despatched or not I just don't know, and we didn't find out either."

(Production Planner¹, p.3, no.28).

"We get a lost tribe every shift. There are 4 or 5 people we can't account for. They are out there somewhere. Well you are paying them. Their clock cards have been clocked, but we just don't know where they work. It's a problem of information."

(Assistant Production Manager¹, p.24, no.31).

The sales and marketing department was heavily reliant on computer-derived information provided by the central data processing unit, with two managers claiming that as much as 25% of the information they

received came in the form of a computer printout. While the views of the respondents varied greatly there was a general underlying dissatisfaction with the computer system as it existed at that time, combined with considerable optimism that within a two-year time span many of its inadequacies would be rectified:

Q: "How could the computer system be developed to help you in sales and marketing?"

A: "It can be and it will be and is planned to do. It's well documented what we want to do , and how we're going to do it. it's got to be much more instant; it's got to be intelligent, user-friendly, accurate and readily accessible - and these are things it isn't at the moment." (General Manager, Sales & Marketing, p.16, no.83).

The most significant difficulties associated with the computer-based information retrieval systems were: .

a) that information was not always presented in the most easily understood or useful form:

Q: "Is there a particular source which provides information in not the most easily understood form?"

A: "I suppose again it's the computer, the involving of the computer... which is going to take a good few years to sort out and therefore I don't expect to receive the information I want for a few years, until we have got the information sources correct which we can then extract from.... A good example this morning was we got a tabulation on free-of-charge and live discount which gives you a monthly summary but doesn't give you a cumulative, so if you want a full year's figure for a certain product you've got to actually add each period together."
(Product Group Manager, Development¹, p.1, no.1).

b) sometimes the information could be derived from the computer, but the difficulties and time cost of doing this could be prohibitive:

Q: "What about profitability by outlet type information?"

A: "That comes back to what we can get out of the computer; the information is there but the amount of time to get the information is hopeless, it would take far too long to collate the information." (Group Product Manager¹, p.2, no.7).

c) the accuracy of some items of information was highly questionable:

"The information that we get.. is not always accurate, but it's well understood what the limits of their accuracy is. Rather like marketing surveys, they give you trends rather than perhaps accurate information."

(General Manager, Marketing & Sales¹, p.2, no.3).

The operational difficulties that could be caused by system inefficiencies were immense:

"Somebody phones me up and says 'this Woolworth's branch hasn't ordered, can you tell me what their sales have been?' And I say 'have you got the customer order', 'no'. So I phone [the stat's clerk] and I say 'dig me up customer unique number please for this particular branch of Woolworth's'. She wades through all the printouts to find the Woolworth's printout, which is thick because there are about 1000 branches, then she wades through that and they're probably not in alphabetical order, and they're as they were opened and she eventually finds the unique number and phones me. Then I ask 'what did they order last week?' and have to go to the daily order report and go all the way through that; and what have they ordered for the whole year? Well I can't tell that, I have to fill in a form and ask the computer department to produce a printout which will give you their sales by line and by pack throughout the year, and it will take them two days to run that off because they've got other things to do. So all the information's there but you can't get at it."

(General Manager, Sales & Marketing¹, p.16, no.83).

The finance department, was the most heavily dependent on the central data processing unit of all the departments. Its main complaint

against computer derived information was that it was not always in the most easily accessible or usable format:

"From the computer system we must get now... I would say 60% must come off; I'm not saying it's in the format in which we require it."

(Management Accountant¹, p.13, no.15).

The only other general problem with the company M.I.S. experienced by the finance department was that it tended to receive information from other departments at later than agreed dates:

Q: "Do you receive late information here?"

A: "Yes, but with it being a confectionery company there are so many different departments, and particularly now we've set up into different units, you might get a manager who is very good at his job and spends a lot of time on the shopfloor because that's where he feels he is going to benefit; so he comes into his office at 5 O' Clock and thinks 'oh I'll see to that in the morning', gets called to a breakdown at factory. So there are time delays; I would say that there are more time delays than there are things getting in before time, particularly as we wait for figures from all the departments.... They're [the departments] all as bad as each other." (Secretary to Finance Director¹, p.1, no.1).

On a more global, company-wide scale, both the sales and marketing and finance departments' complained of a lack of formal information/communication systems linking them to the production function:

"...we need to talk to people more who receive information - that sort of thing.... I think really what we are thinking about, whether we actually could have, meetings with production people every month instead of just throwing reports out and then doing it informally which is what we do now. We tend to put figures out or ring them up and say 'oh good God there's something wrong there you'd better come across and see us before we publish it - that sort of thing. Whereas perhaps we could say 'well, we'll get the account out every four weeks, publish the papers and then have a formalised meeting, I don't know, perhaps that might improve it; and then

you'll get all the people round the table."
(Management Accountant¹, p.13, no.13/14)

This thesis contends that the analysis given above provides good qualitative evidence in support of the hypothesis that the nature, efficiency and effectiveness of an organisation's information and communication systems, including those which are computer-based, is heavily dependent on that organisation's cultural proclivities. And therefore, that an appreciation of the history and culture of a company can yield insights into the problems associated with an organisation's information dimension which can in turn be employed in the formulation of remedial strategies.

Historically Company 1 had experienced extreme financial difficulties which had until recently precluded investment in computer hardware/software and the time and effort required to make a detailed study of the problems. After several years of increasing profitability the company had recently turned its attention to its information needs and large-scale investment in computer facilities had been made. Nevertheless, considerable problems remained unsolved, which were most pronounced in the areas of sales/marketing and production. Culturally the company had long fostered beliefs and values which had made the transmission of late, insufficiently detailed and inaccurate information the accepted norm, had created a climate in which it was well understood that certain information was just not available and that even in those instances where it did exist that the systems that had to be operationalised to find it were possibly time consuming and laborious.

Given this cultural milieu the mere addition of more sophisticated computing facilities had so far had little obvious impact. With time it was hoped that more management information would be available from the computers and this at least seemed plausible. In addition, the systems for the generation and manipulation of information may also become simpler. But the speedy and efficient transfer of good quality

information around the organisation, and especially between departments required less the introduction of new technology than a cultural shift in values and expectations. Yet while attention was being given to the information systems themselves no thought had so far been devoted to how individual employees could be persuaded to make more effective use of them, to take information deadlines seriously and to take every possible measure to ensure that their information was high quality and accurate.

5.3.1.3 Computer Systems

Until 1987 Company 1 had pursued a strategy of centralised computing facilities, with information services being provided by an old ICL system and two Honeywell mini computers housed in and maintained by the computer department. In addition, during the early-mid 1980's a growing number of stand-alone micro-computers providing facilities such as word processing, spreadsheet planning, graphics and small database systems had been purchased. Computing facilities were available in six broad areas of the business: stock control, sales and marketing, accounting, budgeting and forecasting, payroll/personnel and production.

A report produced in 1987 recognised two broad categories of problem with the then current highly centralised computing strategy. First, the company was no longer charged with providing services to the Group generally, and with the autonomy that had recently been granted to Company 2 and Company 3 in particular, there was a perceived need to re-adjust the type and scale of Company 1's operation accordingly. Second, detailed investigation of certain application areas had revealed the extent of the poor fit of software packages to task, together with the unacceptable costs attached to any modifications that needed to be carried out, forcing a re-think not only of the software involved but also the associated hardware.

The existing stock control system was recognised to be unsatisfactory, and new facilities had to be agreed to provide a central warehouse

stock location system and a remote depot system. These would yield more timely information regarding stock levels and variations within each remote depot, and facilitate the electronic transfer of data. The sales systems were in fact being up-dated during the course of this study, with the first phase of a new sales order processing system already having been implemented before data collection commenced. Nevertheless, there was still considerable reliance on the old I.C.L. system. Probably one of the least satisfactory elements of the total sales related systems was the historical statistical database, which was not easily manipulated using the existing tools, and for that reason had never been allowed near the end users.

There were further problems with the accounting facilities. While the nominal ledger had been in operation on the Honeywell computer for some time, modifications to it in order to provide acceptable purchase ledger routines were likely to prove so costly that an alternative approach was considered necessary. Likewise, the budgeting and forecasting software was in need of review while the payroll/personnel function was also not totally satisfactory. Further problems afflicted the systems used in production, which had been developed separately in a number of disjointed projects, using both stand-alone micros and the Honeywell machines.

These difficulties impelled Company 1 to reconsider its global computer strategy, and to adopt a policy of distributed computing as had originally been proposed by Touche Ross in 1982/3, at which time it had been rejected as uneconomic. Given the evolution of computer technology and considerable cost reductions that had taken place during the past four years, distributed computing was now thought of as an approach that:

"would enable us to provide elements of computing capability at the point of need, and of the type, size and power necessary to provide an acceptable service."

(Computer Systems, p.2, 1987).

Moreover, it would remove the conflict which naturally occurred as a result of so many departments and applications competing for central resources and would allow the costs of such systems to be clearly identified and allocated directly to the relevant users. Major savings were anticipated in respect of development resources and timescales as a result of a parallel move into the newer methodologies now available for the production of systems. These 'tools' would complement the distributed hardware policy due to their inbuilt portability across types of machine (mainframe, mini and micro) and differing operating systems. The overall affect, it was proposed, would be to offer a much more acceptable service to individual departments, with dedicated machines providing the processing capability and the use of new fourth generation tools resulting in much faster and less expensive application developments. Furthermore, the combination of distributed, less expensive hardware and software, together with less expensive and time consuming developments, would, it was suggested, lead to a major reduction in the total costs of providing information services.

5.3.2 Ad Hoc Communications

Company 1 exhibited a general tendency to rely on ad hoc communication. Within production this was related to the cultural reliance on experience rather than formal sources of information or information systems:

"The sort of job I do, the sort of arena in which I work, the sort of experience which I have, and I shall be talking a lot about experience, because you talk about information and decision making arising there from; I have a view that at certain levels of the organisation it is experience that leads to decision making rather than information and with an experienced guy you see what's happening. The information tends to confirm your thoughts."

(Production Director¹, p.3, no.13).

There were a variety of problems with ad hoc communications within the production function:

- a) There was a feeling that some production employees were not 'natural communicators', who instead preferred to keep information to themselves and use it tactically:

"I think generally the information could be a lot better. I have experience myself where even though you pass information down you've got to ask the right questions to get the information back, there isn't an automatic two-way flow of information; and everybody else is waiting for everybody else to inform people. Having said all of that there are limits. If each person, if they were party to that information and if they felt obliged to give that information to the people who should get it then there wouldn't be as big a problem. But I do feel sometimes that whichever group gets that information there's a bit of 'I'm alright Jack I've got it, I'm happy'. But what they don't think about is the level below."

(Operations Manager², p.4, no.16).

- b) There were problems with insufficiently detailed information being passed from junior managers to shopfloor workers:

"When we've changed product, or if we've been changing product, they've [supervisors] not told us exactly what we're going on. Say if we're going on 'Home trade', if we didn't know what we was packing then we might be down for a while. At one time we used to get specifications of what we're going on, but that's all gone now.... If we're going on 'Export' then they'll just come up and say 'oh you're going on 113 gramme Spanish'. Now I know what line change it is but some team op's, they've no ideas.... So we're supposed to get the specifications, the supervisor is

supposed to bring them - they don't always."
(Machine Operator Instructor¹, p.1, no.2).

- c) There were communications problems between the three production units:

"There is no motivation for accurate, timely and motivational information to be passed between the units because there is nothing to be gained on the part of either unit to perform well in this area."

Q: "Is anything being done about this?"

A: "There are no formal plans which I know of at all. On the contrary, the situation is getting progressively, if you like, worse.... At the moment you've got an almost combative spirit between the units where the information that's passed to and fro is often inaccurate, and one wonders whether absolutely full effort is made to make it accurate." (Assistant Production Manager¹, p.11/12, no.61-68).

- d) There were also communications problems between production and engineering:

"You still tend to get some degree of 'us and them' between production and engineering. But by and large they are willing to work in parallel these days.... But it may be when the pressure's on you will get a bit of bickering saying it's the product that's wrong rather than the equipment that's wrong."

(Operations Manager¹, p.13, no.64).

"The information that comes upwards [from production] comes through a couple of channels, and I think the information is sometimes slightly biased, and this is the engineer talking I suppose. It's very difficult for us to prove otherwise."

(Unit Engineering Manager¹, p.12, no.80)

A similar plethora of problems afflicted ad hoc communication within the sales and marketing department:

- a) much information within sales lacked the specificity and detail required to be of real utility:

"I think that in all cases when you're briefed against specific, even if it's low quality information, sometimes if you're briefed specifically you can respond in specifics. We tend to be briefed very generally, far too often, and there's a lot of assumption been given in that. Consequently the information you give back is not really what's been asked for. So it takes longer to get it than it would have done. I think we're constantly briefed badly by everybody because we're not briefed specifically. People are always too general, and I think in many ways because sales is the sort of set-up it is, people are sometimes afraid to ask specific questions because of what they might hear back - the truth hurts."

(General Sales Manager¹, p.13, no.3).

- b) because of the reliance on ad hoc communications there was the danger that information resources were being trapped behind closed doors, resulting in the duplication of work:

"Communication within marketing I would say is satisfactory, it's not excellent, but it's not less than satisfactory. There could be, I feel, more communication within the department; less, not treading on toes, but less crossing over in products etc. etc.... We're very open in where we speak, I speak to people on a level with myself and above myself. The formal system hasn't always been in the past that good. I think it is a recognised fact that it needs to be slightly better.... People have got closed doors... [information is being trapped] which could be of use to myself or which could stop problems or could remove duplication of effort, work, etc. etc.. Less looking after one's own court and looking more corporately."

(Group Product Manager, Barrett Division¹, p.3, no.9).

c) the tendency for information to be transmitted on an ad hoc and oral basis placed a great burden on individuals, who had to remember to communicate with everyone needing to know a particular item of information. This was particularly problematic as members of the department often spent large amounts of time away from the main company site:

"The main problem is that most of the time people aren't here; or I should say one person isn't here and you're away the next day and they're here sort of thing, so you miss people, and thus it's a bit difficult to remember to communicate all the time as to what's happened."

(Product Group Manager¹, p.2, no.10).

Ad hoc communications within the finance department suffered because historically the different functions were not encouraged to interact and communicate with each other. This was a problem that had been recognised by the finance director and for which remedial steps were being taken:

"I am quite keen to integrate a lot more of the functions which I control. We can have management accounts and the cost office in one corner and credit control in another, and never the twain shall meet. And I think historically... well that's more or less the situation which I inherited, in that every person did their own little bit and didn't talk to each other a great deal. That was certainly a problem within finance."

(Finance Director¹, p.9, no.66).

This general problem was reflected in the fact that few individuals had experience of working in more than one section, with consequent negative implications for intra-departmental communication:

"While we've been going through this changeover we've been altering the payroll, and the way that we analyse the payroll etc. etc.. And we failed to notify certain people that we didn't even realise used the analysis. We

produce the analysis for somebody, costs office and accounts, and we didn't realise that somebody else borrowed the analysis."

(Wages Manager¹, p.11, no.79).

"They [communications within the finance department] can be improved. Even though the whole of the finance department is under me and that has separate functions within it, there's not a lot of people who have worked in management accounts and credit control, and credit control and payroll and payroll and management accounts. I would like more movement, but it is difficult to achieve."

(Finance Director¹, p.10, no.67).

The extent to which ad hoc communication was favoured was a further indication of the impact of a culture which stressed informality and non-systematisation on the company's information/communication activities. The problems and imperfections associated with ad hoc communication also reflected cultural traits, most especially a lack of professionalism which meant that much inaccurate, untimely and insufficiently detailed information was transmitted within and between departments. Personal and political conflicts and tensions also interfered with the freeflow of information within the organisation, especially between the three production units, production and engineering and between marketing and sales. Finally, there was not a general cultural bias towards communication, of keeping others informed of events and interacting with individuals performing other and functionally distinct roles. Only at the very highest levels did the marketing/sales, production and finance people meet and discuss matters on a regular basis. The inevitable result, some suspected, was a large amount of duplication of effort, of things not being done correctly first time, and of general inefficiency.

5.3.3 Information Culture Type

Company 1 possessed an oral information culture that was more pronounced in the sales and marketing and production departments than in finance. The employees not only preferred to transmit and receive information by word of mouth, but firmly believed that this was the most appropriate form of information exchange within the department. The reservations expressed by the respondents concerning the efficacy of oral information transmission were almost wholly founded on functional necessities, such as the requirement to write down certain figures for further analysis or for statutory reasons. Indeed, where information was communicated in written form such communicative acts were often preceded by oral transmission of that information:

"You've got to be a little bit wary because there's a very strong cultural thing about being a paper manager who is much keener on sitting down and writing memos than actually getting out and doing something. Memos can be a fairly good substitute for action and that is something to beware of."

(Assistant Production Manager¹, p.6, no.32).

The strength of the oral culture was indicated by a variety of widely held beliefs, ranging from a simple preference:

"I prefer information to come to me direct by word of mouth. I prefer the personal communication, the personal contact."

(General Manager, Trade & Development¹, p.7, no.28)

to complex perceptions of the value of word-of-mouth communication. For example:

- a) that oral communication provided an opportunity for interactive feedback, with the result that ideas could be 'unravelling' and 'restructured' as desired:

"I don't necessarily prefer it [information] to be transmitted orally;

I like to see some facts in front of me, but I prefer them to be through discussion and I certainly have one particular way in which I can absorb information in terms of order of presentation. Part of the presentation maybe an opportunity to unravel and restructure the facts which are presented."

(Production Director¹, p.8, no.37).

- b) the possibilities it allowed for senior management to persuade subordinates to accept and pursue their strategies and objectives, while also making them feel that these policies were ones they had helped to formulate:

"It is important that a whole group of people who are involved are involved in the actual acceptance and implementation of whatever decision is arrived at, are party to it, feel party to it, and feel that it is part of their decision making that has led to the course of action. So it has to be by meeting, not a one-off type of conversation. And the look in the guy's eye is even more important than the written word and so it has to be face-to-face."

(Production Director¹, p.9, no.39).

- c) people, it was suggested more readily understand and recall things they have heard rather than read:

"I believe that people absorb less trivial things easily through ears than putting glasses on to read it."

(Operations Manager¹, p.4, no.28).

- d) it was thought that the speed with which oral communication could be accomplished had a beneficial impact on the pace at which work activities could be conducted:

"I would prefer it because it is quicker by word of mouth, with the export orders, that's the prime example. If we can get an order to phone straight away, I can ask the stock controller if he has got packing material to do this order;

if he hasn't we can get it in so we can be prepared before this order comes in."
(Production Planner¹, p.4, no.39).

"I think inevitably there's an awful lot of oral conversation goes on in a big place like this. I think a majority of the departments do tend to confirm most of the major stuff on paper as well as verbally. But for the speed again they come and knock the door. It would be nice to be able to discipline all of us not to knock each other's doors as often as we do, but the very nature of the place and the way it works really adds to that opportunity."
(General Sales Manager¹, p.6, no.43).

e) oral communication was considered necessary given the absence of formal systems able to cope with the volume and complexity of information exchange:

"There are numerous conversations between, say, production planning and sales where there can be promises made - there are so many I don't think you could put them all down on paper - and there are so-called promises made and then later on when it gets a little bit acute, they then suddenly disappear (those promises) and it all becomes something else. It's at those times you wish they'd been put in writing in the first place. All I can say is if all of that information is going to be in writing you'll need a pretty good system to deal with it, there is a hell of a lot.... How important is it always to be perfectly accurate with the information versus the type of culture that people want to operate in? Quite frankly they should be able to feel completely free to operate in a fairly liberal manner. You get the complications when, unfortunately, everybody cannot run by that code."
(Operations Manager², p.2/3, no.11).

- f) trust and confidence levels were believed to be sufficiently high for a large amount of information to be transmitted orally without fear of distortion of manipulation:

"...if I am working with national account managers, [or] if I am working with, shall I say, marketing in Head Office, I'm quite happy for conversations to be conversations, and I'm quite happy that people can be trusted to say what we agree and do what we agreed, and I'm happy there."

(General Manager, National Accounts¹, p.5, no.28).

"When working upwards there is not a need to put, with the team of chaps that I am fortunate enough to work with, to put things in writing, except that facilitates them either considering it, taking it further, passing it on for other people to act upon; but there isn't a need of this sort of belief issue in having it in writing, that's not an issue.... In the normal day-to-day it comes back to this question of trust, and I think that the first question that you raised, that people who currently work with me and above me and below me in Company 1 are basically trustworthy people."

(Production Director¹, p.10, no.43).

- g) oral communication was valued as a far 'richer' medium of information exchange than the written word which promoted group problem-solving and decision making:

"But day-in, day-out, week-in, week-out, we are across this office sitting down across the desk with people talking to them about their accounts, about the information, what can we do to help them. Now that sort of thing is unplanned, informal, ad hoc, all the things which theoretically precise information is not. You could formalise it. But formalisation will inevitably mean that you're asking people to fill in forms; you're asking people to involve themselves in shipping paperwork about the place; and our style very much

is we can achieve far more with the door closed, the telephone switched off and a couple of hours addressing ourselves round the table to one problem, rather than mountains of paperwork flowing round this company with 1500 people on the circulation list."

(General Manager, Trade Development¹, p.6/7, no.26).

Two costs of reliance on oral communication were recognised by respondents: first, problems associated with the distortion of messages, both deliberately and inadvertently:

"I think yes, there is inevitably a different connotation put on it by divisional managers when they brief area managers, and when their area managers brief the salesmen, so it does get filtered, the message is different when it gets to the salesforce than the one I would have given. But it's not majorly different, it's just an emphasis."

(General Sales Manager¹, p.11, no.83).

While this phenomenon was not considered to be of particular significance, awareness of it did lead senior managers (especially in sales and marketing) to make secondary evaluations of information yielded to them by their subordinates on the basis of their past experience and perception of the personality and abilities of the individuals concerned:

Q: "Are you aware of oral information being distorted?"

A: "Yeah, in selling all the time. People will forever, because salesmen are salesmen. Say we're got 10,000 cases and in reality we've got something like 6,000. It's a question of knowing the individual so that you can actually put a price on what he's said." (General Manager, National Accounts¹, p.11, no.78).

Second, as so much information was conveyed orally when particular difficulties arose it was often impossible to trace the initial cause (where defective information was suspected) or to make individuals responsible and accountable for their mistakes. as written evidence was not always available:

"The down-side is that at the end of the day you might be giving people the freedom to, having interpreted something or misinterpreting something which has resulted in action, that action has resulted in money being lost. But when you actually try to find out why, you've no source, no route, nothing in writing; it's your word against somebody else's, and that's where it starts to get bitchy. Whereas if you actually set out a course of action, confirm that course of action, plan that course of action, confirm that course of action in writing, if anybody tries to do that to you at the end of the day.... I can't quote specifics, because of the informality of the situation, you're never totally aware of it."

(General Manager, Trade & Development¹, p.13, no.68/69).

Interestingly the finance department did not share the company bias towards oral communication, although the financial director did assert:

"Generally I rely on conversation."
(Finance Director¹, p.5, no.31).

The finance function did not possess an oral information culture; the nature of the information it dealt with [largely complex numerical data] and legal requirements created functional imperatives which demanded that considerable amounts of information were recorded in written form. These functional imperatives had engendered beliefs and values which supported written culture and emphasised the dangers of relying on word of mouth communication:

"I tend to think that people sometimes over the telephone or in the corridor, suddenly forgets and says 'oh I've done that for you', and they'll suddenly change their minds and say 'oh I didn't mean that', or 'I didn't tell you to do that'. So I tend to think sometimes that people's memories are not as good. Having been at this game quite a long

time you get suspicious sometimes I suppose."
(Management Accountant¹, p.5, no.30/31).

"Verbal information - it's your word against theirs, I like things in black and white, and I always tell my clerks to get things in black and white. Somebody comes to you 3 months ahead and says 'did you do this?', [I] can't always remember. You might think you can remember, but you can't prove that that is what happened; whereas if you've got it on paper you can say 'that's what happened'."

(Sales Ledger Manager¹, p.1, no.2).

5.3.4 Informal Communication

The cultural attitude of the senior management of Company 1 toward gossip, speculation and hearsay was dismissive, rather than for example manipulative. The company possessed very poor systems for disseminating information downwards, especially to junior managers and shopfloor operatives. The result was the growth of a luxurious grapevine system that was allowed to flourish unimpeded:

"I think we could reduce quite a bit of it [gossip]. Information concerning for instance, hot potatoes like gradings which are always going round the company at twice the speed of light.... Information is sometimes held back and they think it's never going to be known, but I'm yet to find out anything that doesn't eventually come out; so I think it ought to come out via the official organ, and then you wouldn't have as many of these grapevines going round."

(Operations Manager², p.3/4, no.15).

The under-development of mechanisms for feeding information downwards was symptomatic of the quasi-paternalistic beliefs of the senior executives who saw no need to keep the workforce well informed of company developments. It was also indicative of senior managers' obsession with being in complete control of the organisation, which

may have been intensified by the most recent restructuring of the Group in which they lost much of their authority. However, it should be borne in mind that the company had long possessed a vast and complex grapevine network, and that the workforce had never been privileged with much information concerning either developments in their own area or the company as a whole. The sheer size of the company, the fact that so many employees were part time workers and a lack of spare resources also played a role in limiting communication to the junior management and shopfloor workers, but these factors were underpinned by cultural prejudices which made downward vertical communication a low priority.

5.3.5 Information Consciousness

Individuals were generally appreciative of the value of information to them in the performance of their roles, and there was enthusiasm for devoting scarce resources to the development of more sophisticated information systems. This cultural recognition of the need for information was manifested in an increasing investment in terms of time and finance in developing a new distributed computer system, in storing valuable data in computers and purchasing new software for manipulating the data and generating reports. However, the cultural support for information investment obviously had a low ceiling, as indicated by the complete absence of central or departmental library facilities or information professionals:

"I would say decentralised information resources; they are all over the place, they are not just in one area - you've got to go to quite a few different areas to get that information."

(Product Group Manager, Development¹, p.4, no.25).

Thus while the sales and marketing department was considerably 'information aware', and because of its need to purchase information, more able than most departments to put a cash value on it, yet still there was evidence of a lack of commitment to performing certain basic information gathering roles:

Q: "Would you say that Company 1 was an 'information conscious' company?"

A: "No, not totally.... A lot of our competitors, they have specific people looking at specific areas, such as a person able to concentrate on trade and development, which itself needs information on where the markets are going and so on and so forth. Somebody actually looking at research and information, extrapolating it and giving it to us in a more useful format such that I don't have to read through everything I receive. That sort of... I think there is a case for somebody looking after market data, be it anything to do with competitors, be it claims of size, what products they're launching, and so forth. I mean to an extent we all have to do it now anyway, we do now, but it would be nice to have one person in charge of marketing information." (Product Group Manager¹, p.5, no.24).

In addition, when lack of resources was a limiting factor information seeking activity was one of the first casualties:

"I think we have limited resources, and because we have limited resources you tend to collect only that information which you know will be useful to you in supporting whatever you want to do. I mean there is literally lots of other information you could get, you could work on, but we haven't got the masses of resources to deal with that information anyway."

(Operations Manager², p.1, no.3).

Consequently some, though generally less significant decisions, were taken with less than adequate research having been conducted:

"I'm sure there have been occasions like that when you think if I had that and that maybe I would have arrived at that decision. I don't think for the critical ones, because the tendency is that if you've got a major decision to make then you do it in your own time. you make sure that you've counted and looked and checked.... Lower priority stuff, yes, maybe, noone's perfect and expediency sometimes has its casualties."

(General Manager, National Accounts¹, p.7, no.42).

Traditionally Company 1 had managed to produce good quality products which had achieved reasonable market penetration without investing in either sophisticated internal information systems or large amounts of externally available market information. The culture which had been formed under these conditions still exercised more than a residual influence over the company. Thus despite a widespread recognition that if the manufacturing processes were to be made more efficient and the market tapped more intelligently then investment in the modern information and communication tools and systems had to be made, the will and the ability to implement these systems and use them to their full potential was not uniformly available. Company 1 was not an information conscious company and its metamorphosis, if it was going to occur, appeared to be a long way from completion

CHAPTER SIX

SUBSIDIARY 2

6.1 Introduction

Company 2 had been formed from an amalgamation of two separate and distinct businesses, W. and A.B.. W. was an old family business that had been purchased by the Group in May 1961. Until the late 1960's the company operated as a profit centre within the Group umbrella. Attempts to rationalise the organisation under pressure from deteriorating Group profitability then led to W. being stripped of its salesforce and most of its finance department. In effect the business was operated as a factory facility and cost centre under the control of the board of Company 1. This situation prevailed until extremely recently. In November 1985 the Group acquired the goodwill stocks and shares of A.B. from Company R. (a major U.K. confectionery company). Four months later on 29.3.86 Company 2 was established as an autonomous profit centre using the sales force acquired with A.B. to sell and distribute both the A.B. and W. product ranges.

The newly formed Company 2 faced a number of problems in the first two years of its existence, some of which had still not been fully resolved before this study was conducted. Possibly the most important of these was its heavy dependence on Companies 1 and 3, which accounted for 67% of its sales in 1986 and 53% in 1987. The reason for the 14% decrease in intra-Group sales in 1987 was lower than planned sales through Company 3 to the Middle East, rather than deliberate planning. However, it was Group policy to diminish the reliance of Company 2 on Company 1, and a gradual lessening of its dependency on intra-Group sales could be safely predicted.

A second problem was the limited penetration of the market achieved by its sales force, which at the company's inception serviced only 980 outlets, though by the end of its first year of trading this had grown

to 1320 outlets. The fundamental difficulty was that the sales force it had inherited from A.B. was extremely narrowly focused on the wholesale cash and carry sector of the market. Within twelve months Company 2 had entered the multiple C.T.N.* and private label arenas, but it would be a long time before its sales force was sufficiently large to enable it to successfully service the independent C.T.N.'s. A further problem faced by the company was its need for heavy investment in new production and packaging machinery. This requirement was being met by the Holdings Board which had sanctioned the expenditure of £750,000 on a liquorice extrusion plant and the purchase of new packaging equipment.

There was also a need to develop and invest in new information (including computer-based information) systems, which was an on-going project during the course of this study. At one time the company was linked to the systems at Company 1 at Sheffield, but this was considered to be an unsatisfactory arrangement both in terms of service and operational requirements. As a temporary measure to satisfy the immediate needs of Company 2 for a sales administration system a proven package from OMICRON running on an Apricot Xen 20mb Hard Disc machine was purchased and installed during January 1986. This configuration had been upgraded to multi-user and the disc capacity increased to 100mb in order to cope with the increased levels in trade and range of products. Mechanised support for the planning and control of the business was provided by a Phillips P320 visual record computer that was 14 years old and very difficult to maintain. Given these problems and palpable limitations it had become increasingly obvious to the company that the then current disjointed and outdated management information facilities were not adequate to meet their existing requirements, and a major exercise was launched by the finance director to find an appropriate set of replacement systems.

In addition, many of the senior executive and management posts had had to be filled extremely quickly, and while a majority of these individuals had experience of working on this site, others such as the

* Confectionists, Tobacconists & Newsagents

finance director, sales and marketing director and marketing manager had been brought in from outside. The development of Company 2 was obviously at an early stage, and the difficulties of these formative years were reflected in the sales and profitability achieved by it in its first two years, both of which remained static, with sales of circa £13 million and a trading profit of around £600,000. The cultural evolution of Company 2 was also in its infancy; though the long history of Company W. and the 28 year history of the business as part of the Group had left their imprint. The company was, therefore, in the interesting position of being both 'old' in traditions and 'new' in concept.

Despite the newness of Company 2 the long history of sugar confectionery manufacture on the site meant that sufficient time had elapsed for a corporate culture to develop. The company possessed a strong spirit of tradition which expressed itself in the form of an emotional attachment to the old company name, W., and its products and a high degree of homogeneity of beliefs, attitudes and values. The Pontefract site had in fact long desired independence from Company 1, and even when used as a factory unit for Sheffield had considered itself a quite separate and distinct entity. The inception of Company 2 as a quasi-autonomous subsidiary within the Group thus witnessed the release of a vast amount of pent up energy and enthusiasm which had subsequently achieved some commercial success during its first two years of operation:

"Attitudes and beliefs, the philosophy bits were mainly [supportive] of the operations because dear old W. in its 25 years had stubbornly refused to acknowledge that their masters were Company 1 and had carried on, although it received its programme, had carried on with a sort of whimsical U.D.I. in its attitude. There was an enormous rivalry; it wasn't just one company that was a subsidiary of another receiving its [instructions] there was a burning desire still to succeed, everyone within the company from shopfloor virtually right up through middle management to most of the senior management, maybe

that's unfair, maybe all of it, very much saw themselves as W. people and never forgot the past. And therefore the platform was a good platform to let the phoenix come out of the fire and to build in the new company."

(Managing Director², p.1, no.1).

However, during the twenty-five years of its role as a factory unit producing for Company 1 Company 2 had become extremely dependent on the skills and expertise of Sheffield's managers, while its own commercial acumen had become vestigial. In many cases employees in the production and stores and warehouse departments were still learning the new 'rules of the game', while the personnel manager could still forget that the company now possessed sales and marketing and finance departments:

"We're still learning ourselves because we've not been doing this job long. All we used to do until 2½ years ago was come down, ship it all to Company 1, end of story. Now since we've become Company 2 we've started shifting everything for ourselves, and as I say since it was formed as Company 2 ours is virtually a new department. Everybody's learning at the same time."

(Stores & Warehouse Manager², p.2, no.7).

"The number one criterion was output and efficiency variances. Now all of a sudden that is tempered with if I want to make that and that because that's what we can make best and fastest and cheapest, but our customer doesn't want it, he wants that and that, where we've got to deliver on time. So the commercial decision is balanced between the efficiency we make, the output we make and the fact that we might not sell that to our customer, and there has to be a balance. Whereas on pre-Company 2 as far as I was concerned Company 1 got what I could make fastest and quickest and best, the decision becomes more complex because in those days Company 1 paid for all the storage, the cold store, so if we made 20 tons of 'DM' and

put it into cold store we got the benefits of the efficiency and the output and Company 1 bore the brunt of paying for cold store. Now if I want the efficiency of the production I pay for the cold store, so the commercial decision becomes a little more balanced."

(Production Manager², p.12, no.88).

In keeping with the Group as a whole Company 2 had a keen sense of its own vulnerability in an unpredictable marketplace, despite its apparent buoyancy; and in part at least this was recognised as being an information problem:

"The arena in which we trade is very changeable.... The unpredictable market is very much the kids market which is also the boom time."

(Finance Director², p.51, no.72/74).

"We [as a company] are at the whims of too many people.... In truth if we had more external information we could probably predict and cover our options a bit better."

(Marketing Manager², p.8, no.41).

While the company desired expansion in terms of turnover and profitability it was loathe to take on more staff than could be justified assuming a sudden down turn in the market. The feeling that success could slip away from them as easily as it had been achieved in the first two years exercised considerable influence over the culture: it provided a motivation for individuals to cooperate with each other, to communicate fully, not to indulge in political games and to work at a frenetic pace; these and other cultural traits are examined in more detail below.

6.2 The Cultural Profile

6.2.1 Personnel Orientation

The company undeniably placed a high value on its personnel, but in contrast to the dominant Group philosophy employees were valued not as human beings but as economic assets akin to land, labour and capital; and if people were valued more highly than these other factors of production then it was because it was they who were the most costly and who made the greatest contribution to company profitability:

"...we do encourage excellence, and some people are more excellent than others of those at the same level; if you look at departmental managers, some are better than others, and we are doing our level-headed best to encourage those people by internal praise, internal honesty, and financial reward in the end, all people aren't paid the same any longer. It used to be very much an 'all people are equal' situation. I vehemently believe in the strength of the people. If I have a single philosophy it is to accept that buildings, capital equipment, cars, tools of the trade, are just what they are, and just what they sound, and although our capital investment programme is huge at the moment, very considerable, and our plans are very ambitious and the equipment that we buy is of very high standard, and increasingly buy, all of that falls completely apart if you don't concentrate to a very large degree on your prime asset, and effectively your most expensive asset, and that is people.... My objective is not to have the fancy printer and V.D.U. on my desk, my objective is to continue to strengthen and develop the people, the team."

(Managing Director², p.4, no.22).

Employees of the company tended to feel that there was a veneer of generalised benevolence that was associated with the old culture dominant before Company 2 emerged as an independent entity with a

profit responsibility of its own, but that it was an increasingly less salient feature of the new ethos:

Q: "Is there a benevolent attitude towards personnel taken here?"

A: "Yes, yes and no funnily enough. On the surface yes, but I'm not quite sure how benevolent it is in truth. It's certainly not as benevolent as R.(a major confectionery company); it's certainly more benevolent than T. (a large pharmaceutical company). Underneath, because it's small, because everybody knows each other it cares very much when somebody is ill. It does care about the individual. But at the end of the day if that person wasn't performing that function according to the requirements of the company, that their function was superfluous, I don't think there would be too many qualms about getting rid of somebody." (Marketing Manager², p.7, no.36).

The company's attitude towards its employees was largely governed by the managing director, and it was his opinions and prejudices that shaped this and other facets of the organisation's culture. In fact, no litmus test for the 'new' personnel orientation had so far occurred, and the doubts concerning the continuing cultural benevolence expressed by middle ranking managers were speculative only. Nevertheless, that a large body of managers detected that a cultural shift had taken place, and that it was only a matter of time before it became manifest, is important. Indeed, some individuals were becoming increasingly cautious in terms of what they said and to whom, while others were more aware of information being withheld from them.

6.2.2 Loyalty

There was a tremendous amount of enthusiasm, commitment and loyalty to the company from employees at all levels:

"There is a peculiarity about the company, it is very rare I believe in that it has very strong loyalty, it has something you cannot put your finger on which is very positive. It stems a lot from loyalty, there is a close-knit, there is team work, there is little inter-departmental rivalry. Yes we get pissed off with production and they get

fed up with sales and yes I complain left, right and centre, but overall there is a real spirit, certainly within the management and certainly with the girls out there [in the sales office]. Those girls are absolutely demotivated sometimes, and yet there's still something there that they will work overtime, they will work late.... there is a loyalty, there is an energy the company has which I think is very important."

(Marketing Manager², p.6, no.30).

To some extent this was loyalty which had been built up over the years and expressed itself in the form of an emotional attachment to the old 'W' name, rather than Company 2 itself, though it was of course Company 2 that reaped the rewards in terms of low turnover of labour, employee faith in the products and willingness to work long hours when required. This is, however, only one part of the total picture: there was also considerable commitment to a successful Company 2, especially amongst the more senior employees, many of whom had benefited from the promotion opportunities its creation had brought:

"We do believe that there is a nucleus of us who have worked here, are approaching 50 years of age and worked here the best part of our lives; we do feel that we've got something special to offer, we do feel a little bit of a family. That might not be what a newcomer to the place thinks, but that's my opinion of it. I think we've got certain people on our staff with one hell of a commitment to the place. I think they will be replaced, but whether the commitment that these people have got, with the newcomers one will never know."

(Production Manager², p.11, no.77).

Moreover, not only were the future promotion prospects of these managers (within the Group at least) tied to the success of the venture, but because of the size of the company individuals could more easily identify their contribution with the overall performance of the

business than in the larger subsidiary 1. Obviously the new corporate attitude to personnel had yet to have an impact on employee commitment, though it is interesting to speculate whether these high levels of unquestioning loyalty could be maintained given the change in company philosophy, and the greater exposure to the vagaries and exigencies of the market the organisation now faced.

6.2.3 Lack of Professionalism

The culture of company 2 was characterised by a lack of professionalism, most noticeably among middle and junior managers, and which had developed before it had become an independent company. The principal causes of unprofessional values and outlook were typical for the Group, namely, lack of staff training and a tendency to promote from within rather than introduce more experienced outsiders into the team:

"Promotion and management development had undoubtedly suffered in the company over previous years through in-breeding and always promoting from within, over-promotion in many cases etc. etc.."

(Managing Director², p.4, no.20).

In the case of Company 2 its recent history as a manufacturing unit rather than a fully fledged company was also a contributory factor to low levels of professionalism:

"We have got people here who are extremely good and willing. Their technical ability is limited - again that's knocking them down. They've lived in an environment where they were a manufacturing division, and the abilities that were required put them on a level... They are not capable of doing to the level I would like."

(Finance Director², p.22, no.98).

This lack of professionalism manifested itself in a number of ways:

- a) There was a strong element of traditional and conservative thinking that made new ideas more difficult to surface and once floated, to become accepted, especially within the production department:

"The company has mushroomed fairly rapidly but it's still reliant on old services, old methods - and they are archaic. Most of the people here have been here their life, they have no recourse to any other company, any other system.... There is still an element, particularly within the factory, that 'we have always done that'."

(Marketing Manager², p.6, no.25).

- b) Some managers were recognised as being less information-competent than had become acceptable given the new demands being made by the company;

Q: "Do you think that most other managers understand what information they need for decision making?"

A: "No, I'm not necessarily sure that they do. And I think that's partially the result of being here for an awful long time and partly a result of the need for a re-education programme in some areas." (Production Director², p.5, no.21).

- c) There was a general unwillingness to take responsibility for actions and decisions:

"There's still a lot of 'oh it's not my job let them deal with it'.... I think some people are afraid to make decisions because they are afraid of making wrong ones."

(Buyer & Packing Manager², p.3/4, no.8/13).

The lack of professional values and competence was not restricted to any one department or area but permeated the whole of the company. While some respondents felt that the characteristic reflected lack of financial and material resources (which it did), the extent to which this was a cultural trait should not be under-estimated. Too many individuals were long-serving, narrowly focused, unused to having to

deal with the economic realities of the market and insufficiently imaginative in their approach to problem-solving.

6.2.4 Democracy and Autocracy

The culture was participative and consensual to a degree, without really being democratic:

"...we are democratic in what we put in [to the decision making process], with autocratic in at the end of the day - someone has to make a decision and democratically we are not into votes; we are trying to create a company that is moving ahead."

(Finance Director², p.44, no.29).

"...it's democratic in many of the normal day-to-day functions. Democracy rules in many ways; I mean we don't push with a rod of iron at all. But at the end of the day, if you wanted an overall picture that mattered then it's got to be autocratic."

(Production Manager², p.11, no.78).

Thus individuals with relevant interests, responsibilities and experience were invited to voice their opinions in the decision making process:

"You've always got your two-penny-worth, but obviously somebody has to make a decision in the end."

(Stores & Warehouse Manager², p.2, no.10)

"The managing director is a strong character, at the same time you're able to have your say; he may not agree with it, you may not get your own way, but you are allowed and expected to give your opinion."

(Production Director², p.6, no.24).

But ultimately the managing director had little confidence in group decision making, and insisted on forcing through those decisions which he believed to be correct:

"Committees design camels, committees come to compromise decisions with everyone's input into some situation, everyone makes a contribution, and designs an animal which is beyond belief to look at.... I don't like compromise solutions."

(Managing Director², p.5, no.27).

On those issues with which the managing director was not involved then decision making could be more consensual and compromise decisions could be reached:

"What the managing director says is; but other than that, take that level away then yes it is fairly democratic."

(Marketing Manager², p.7, no.32).

In general terms this state of affairs represented Company 2's attempts to gain from the advantages of considering competing ideas and allowing dialogue and debate on the one hand, and swift, effective decision making on the other. The fact that there was a cut-off point to debate determined by a single unassailable person was, though, a source of tension and conflict:

"I feel that sometimes he [the managing director] wants to rule it [the company] himself when he's got a team of directors who should run it as a team, and not him as the managing director and 'we will do'."

(Sales & Marketing Director², p.4, no.21).

The managing director had, in this area of the company culture as with so many others, shaped the prevailing norms to fit his personal vision of how the organisation should function. The loose reins by which the Holdings Board sought to exercise control over the subsidiaries made this a relatively easy task. Company 2 was possibly the best

example of the four subsidiaries analysed of Schein's (1985) thesis that the development of a corporate culture and the leadership function are intimately linked.

6.2.5 Competition and Cooperation

The culture of Company 2 emphasised cooperative values over competitive ones. So alien was the notion that internal competition between individuals and groups could enhance performance that the implication that a competitive ethos might have been valued was met with incredulity:

Q: "Is competition encouraged between departments here?"

A: "Why should we want to introduce competition?" (Sales Director², p.3, no.14)

The idea that competitiveness meant 'political' activity and internal 'warfare' was firmly fixed in individuals minds; and this seemed to be related to people's experiences at Company 1:

"The end objective is to sell more boxes at a higher contribution of profit tomorrow than it was today; and you can't do that with warring factions each trying to achieve their personal objective."

(Managing Director², p.4, no.21).

Employees perceived themselves to be members of a team with an identifiable team spirit, the central ingredient of which was a belief in the merits of cooperation:

Q: "Is competition between individuals encouraged?"

A: "Not really, you work together. I think that's correct, we're a team." (Marketing Manager², p.5, no.18).

"You are certainly looking for team spirit in an organisation like this rather than one person constantly trying to do better than the other; I think that can backfire in a bad way." (Chief Chemist², p.2, no.8).

6.2.6 Conflict and Confidence

Company 2 was characterised by relatively high levels of trust and low levels of conflictual activity, especially among the directors and senior managers:

Q: "Is this a high trust high confidence, medium trust medium confidence, or low trust low confidence place to work in?"

A: "I would say high trust high confidence.... I think it's certainly true for the directors and senior management; I think it is less so for the middle managers. And I think that is something which we are conscious of and which is historical. Sure there are barriers to be broken down which if you like you can't change overnight." (Production Director², p.6, no.25).

These levels of confidence deteriorated further down the company hierarchy and resulted in almost an 'us' and 'them' situation between the senior management team and shopfloor operatives:

Q: "Are you aware of any instance where fear, hostility or distrust has inhibited the flow of information?"

A: "Yes, particularly to the unions and the way they want me to give a quarterly review of our figures. There is a slight problem on that in that we have got to make sure that the story is consistent.... We are very keen to get the information down to the shopfloor level, but we can't possibly do it for 700 employees.... We try and do it into the works council and the union, and that becomes a slight problem - mistrust."

Q: "Your mistrust of them?"

A: "No, it's their distrust of us.... The mistrust with them, if there is any, is that they take the information wrongly. The mistrust is that we know they have mistrusted us. they say 'what the hell are they screwing around these figures for?'" (Finance Director², p.26/27, no.26-28).

"I think one of the biggest areas of danger there is on the trade union side. Trade union communication is notoriously dangerous sometimes because I think the people you are dealing with don't understand what you say, and therefore that makes it a hell of a lot more difficult for them to communicate. And we are very conscious of and wary of communication to the shopfloor through unions." (Production Director², p.4/5, no.15).

Among senior managers cultural norms made prolonged conflictual activity difficult to sustain:

"We've had rows but an hour, hour and a half we're on friendly terms. Nobody on the whole attempts to take the bat and ball home with them because of what's said at meetings."

(Works Study Manager², p.1/2, no.6).

"I don't think there is anything political here."

(Buyer & Packing Manager², p.4, no.10).

"I firmly believe that one of the strengths of this company is that we do not play political games. There is very little instances of back-biting, people getting together, ganging up on people, people discussing how they're going to get to that job if X moves here, there and everywhere...."

(Sales Director², p.4, no.20).

There were indications that the growing size and maturity of the company were beginning to impact negatively on levels of trust and confidence, and that hostilities were becoming more prolonged and politically focused:

"I would say that the communications between... sales and finance is less than satisfactory.... The sales is the one that is less than satisfactory - and that's geographical, as well as the new blood.... I think there is certainly a degree of animosity between both parties."

(Finance Director², p.23, no.6-9).

"[The company is] high trust, high confidence, unfortunately going down to medium again, you know, political comments coming in. I don't know, perhaps it's going through a hiatus because it is mushrooming and so much has happened that it needs a settling down period. But unfortunately yes it is going from high trust high confidence down, losing that, which is sad."

(Marketing Manager², p.7, no.35).

Despite these trends the underlying cultural values were still strongly supportive of 'limited conflict' and close cooperation, which precluded allowing personal antagonisms to interfere with work activities.

6.2.7 Production Constrained and Marketing-led

The company was severely limited in terms of what it could produce, in what amounts and with what efficiency, by the production equipment and the skills and knowledge of the production team:

"I think more production-led because we are virtually a batch process. So we've got to move with what we can make and not what marketing want to make. It's within the constraints of production that we have to work."
(Buyer & Packing Manager², p.4, no.12).

This is not to say that marketing was without influence, especially with regard to the design of packaging and deciding which products were going to be given most attention:

"I think it's very much marketing-led in respect of the products that are going to make it. The products are essentially fed-in by the production and obviously there [needs to be] space to produce the product. In other words 'we can do whatever you want, but it needs to be that product because we are having a problem producing it'. In respect of marketing I would say 'yes' for the packaging design, and product innovation. There is a constraint on marketing effectively."
(Finance Director², p.43, no.20).

But there was a tendency for production to act in ways that it considered to be most beneficial to the company, sometimes making major strategic decisions, without liaising fully with the marketing manager:

"There are too much of things that go on in the factory on machinery where there

is no recourse to marketing, and then you're expected to sell. They invested in a huge Comfit machine, and then because you've got it you were told to put Comfits in your budget."

(Marketing Manager², p.2, no.4).

But there was a sense of real frustration on the part of the marketing manager concerning the subsidiary role of the marketing function within a company that was fundamentally production-constrained:

"In truth, in the real world, marketing should be at the corner of everything. It isn't here, we're too manufacturing/production-oriented, which is a problem.... This is a production-oriented company."

(Marketing Manager², p.6, no.27).

Interestingly there was evidence of understanding on both sides, with production and sales and marketing personnel both indicating an awareness of the other's problems and a willingness to accommodate and compromise for the benefit of the company:

"I do understand that to sell into certain markets she needs a range of products, and it might mean a couple or more 'loss leaders'. It might be that it gives me one hell of a headache making them, but if I didn't make them she probably couldn't sell the other five in the volume she does."

(Production Manager², p.13, no.89).

"Personally I believe now that it is invaluable for a salesman to have a working knowledge of the factory, to understand their problems and to share in their problems; and that it is as important to sell what the customer wants and the marketplace wants as to what is practical and efficient for your factory.... It is now an element of my job which I consider to be important i.e. is it conducive to our business to supply this product, is it not conducive to our business to supply this product - and also little things which go to size of unit, efficiencies, contributions per

shift in the factory, I think are very important."

(Sales Director², p.2, no.8).

The productive capability of the company was the major constraining force on the development of new products and packs; from a technical point of view company 2 was not so much 'production-led' as 'production-restricted'. The culture largely reflected the technical position; with the vast majority of the workforce employed in production and only one trained marketeer, combined with a recent history in which neither marketing nor sales departments had existed at all, this was perhaps unsurprising. The fact that there was so little evidence of conflict between sales and marketing and production was a tribute to other facets of the corporate culture notably the closeness and familiarity (see below).

6.2.8 Pace of Activity

Of all the manufacturing subsidiaries in the Group the culture of Company 2 supported the least casual and most fast-moving pace of activity:

"One of the things we are very conscious of is that people are pushed."

(Finance Director², p.5, no.19).

"I believe that we are pushing some of our people too hard.... I'm not talking about sales and marketing I'm talking about the company; and I think it stems not only from the management I think it goes right down to the secretaries. Everybody in this company works bloody hard. I think we've got very few hangers-on."

(Sales Director², p.5, no.23).

This trait was part of a self-conscious company philosophy which had as one of its objectives the exploitation of market opportunities at the fastest possible speed;

"We will come up with new ideas and have them in the marketplace quicker than anyone else."

(Buyer & Packing Manager², p.4, no.11).

In short, there was a perceived need to move quickly in response to a rapidly changing market:

"I'm dealing in a fad market."

(Marketing Manager², p.3, no.11).

A further aspect to the company philosophy was a commitment to maintaining 'overhead' positions such as secretaries and clerical support staff to the absolute minimum required to run the business effectively. Consequently, as the amount of work had risen over time individuals were naturally beginning to feel pressurised:

"[Success] could have been achieved... by throwing hands at it. And I set us an opening philosophy that I wasn't going to throw hands at it. I was not going to have a company that was going to be crippled by its damned overheads while it was still going through its birth pains. And I hope to God that when I'm booted out or retired or whatever, that we still have the same philosophy of restricting our overheads back to the very very minimum of commercial necessity."

(Managing Director², p.1, no.4).

"I think that many individuals here recognise, it's certainly part of the policy that one of the dangers of any company and particularly one that is growing is that, particularly if one is successful over any particular span of time is that it is very easy to start expanding in terms of numbers of individuals, because you seem to be on the crest of a wave.... And one of the things that we are very conscious of here I feel is that we've seen the dangers of that before at Company 1 with regard to, if you like, the empire building, the expansion of the overheads, and we try to avoid that. There is a very tight control, not only

by the directors and the managing director in terms of numbers of people here, but also in all managers - they are consciously thinking 'before we recruit, can we get away without it?' It's a case of proving the need...."
(Production Director², p.6, no.22).

This philosophy could and did lead to problems. An example of the sort of difficulties this cultural bias for fast-reaction activity can create was given by the chief chemist:

"We're trying to develop a soft-eating 'Comfit' which is not that easy to do, but there are big export potentials for it, and we're actually trying to conclude production trials this week. We're in a situation where really we're looking for costings last week.... That is a case as I say where we've not finally developed it yet, and yet we're actually looking for costings to be able to go out to the market.... Pressure's not a bad thing, it keeps things moving, but I think sometimes it does lead to mistakes. Sometimes we take guesses at products which don't always stack-up a few months later. You know, you can virtually find you are selling the product at the cost, or you are having to put the price up in the marketplace."
(Chief Chemist², p.1, no.1).

A second problem that had not yet fully developed was the potential the insistence on servicing as many customers as quickly as possible could have for conflict between the sales and the production departments:

"Sometimes I think a little more discipline in the area of order-taking as regards to accepting delivery dates which may or may not be practical would be helpful. Certainly over the first two years of the company's existence we were trying to manage rather by almost fire-fighting rather than planning and we tried to react to every damned order when it came in and tried to get it out as quickly as possible. Now that was

good on the one hand, particularly in a company that's growing and is new, the faster you can react to the customer's order the more likely you are to get a repeat order and therefore to generate additional business. At the same time there comes a point when if you are going to be able to plan the factory and improve efficiencies then it's got to be done on a more planned sort of basis; and in that instance I think it's a case of discussing with the appropriate sales and marketing people restrictions that the factory has placed upon them."

(Production Director², p.1, no.4).

Finally there was the problem that even the most senior executives did not feel that they had adequate time to discuss opportunities for the company with their fellow directors:

"My peers, that is [the sales director], [the finance director], are all, as well as myself, working long hours..., and communication between us is not as, does not take as much time up as I would like to. I would dearly like to spend more time in discussion with [the finance director] or [the sales director] on different aspects of the business, but again, and I think indeed, they would wish the same - but time does not permit that."

(Production Director², p.3, no.11).

"I think there is at the moment, by all three of us [directors], they would say exactly the same, a slight tunnel vision, not intentional. It is just there in that there is an awful lot of work to get done in our own areas. Neither of the three of us has yet sat on top of what we are doing and looked across, if you like, at the other three tunnels. We are still climbing up there - about 75% up - but can't yet see what's going on on the other side.... In 12 months time, I'll be there; happy on that."

(Finance Director², p.19, no.87).

Company 2 was a young, enthusiastic business whose culture exuded energy and initiative; hard work at a forced pace was thus a wholly appropriate and predictable norm. But the cultural norms which supported action were not unequivocal. There was a recognition that mistakes were being made, inefficiencies incurred and decisions not being fully considered. Executive directors had assumed roles as executive managers with widespread responsibilities for day-to-day operational activities rather than concentrating their energies on the future evolution of the company infrastructure and long term planning.

6.2.9 Closeness, Familiarity and Friendliness

The culture of Company 2 was one of closeness, familiarity and friendliness, that was intimately bound up with its history and traditions; and it was a characteristic that was highly prized by its employees:

"Because we're not, I know we're growing all the time, but we've never been a really big concern, and we've always had a friendly atmosphere, like a friendly atmosphere here.... I think that is one thing we have kept. As people progress things change, it tends to wane a little bit, but I still think it's got a good family atmosphere here."
(Stores & Warehouse Manager², p.2, no.9)

This trait had developed as individuals had decided to spend their working careers on this site:

"I see it as a very close company in terms of individuals. I think a lot of people that work here now, particularly in production, but there are a number in the management below have worked here for quite a long time, and I think this tends to create an image anyway if the people are there for a long time, and I think it's a very positive thing, I think it's certainly to the credit of Company 2."
(Chief Chemist & Product Development Manager², p.3, no.10).

The closeness and familiarity was also linked to the small size of the senior management team; though there were worries that with burgeoning numbers of employees the bonds of friendship would be weakened:

"The fear that we have is that as we grow we will lose some of what we have created. I think that is inevitable. You are forced to lose some of the closeness and information as you get more and more people because you get more and more levels; and we will strive long and hard to make sure we can keep that together because I think that is crux to our business. You know, the fact that I talk to the production director, we get on well, the financial guy, personnel.... I mean we're a small team, we can get together very quickly, and I think that's a great plus."

(Sales Director², p.2/3, no.10).

Other factors such as the spatial proximity of individuals' offices, joint social activities, and the informality and approachability of people generally all played a part in this aspect of the company culture:

"...we have the advantage of being a relatively small place, and certainly the senior management, we meet, you can see how close we are, we're on top of one another.... Currently there's no demarcation lines. I don't know if that's come across to you from other people; whatever our function - [the finance director] is accessible to me though he's finance, [the managing director] will come and sit in my office, he'll walk through it ten times a day, [the production director] and I are close together. It's not sectionalised. In many instances we're talking to friends as well as work colleagues.... So everything that has to be said can be said with ease. It's a good working relationship."

(Production Manager², p.2, no.6).

There was a cultural acceptance of the need for intimacy in order to promote the achievement of the organisational profit objectives. But the closeness and familiarity were in no way forced or contrived solely to satisfy economic goals. There was an unconscious acceptance that work colleagues needed to be friends and conflictual activity was limited by this recognition. Good quality, fluid, working relationships were thus legislated for by cultural fiat, which individual personalities found difficult to contravene.

6.2.10 Secrecy

The under-developed formal information systems and exclusiveness of the 'director-set' gave rise to fears on the part of less senior managers that information was deliberately being withheld from them. This air of secrecy was considered to be an inevitable concomitant of organising for commercial purposes by the managing director:

"It is an unfortunate fact of life that there are some things that people shouldn't know. It's strategically important that they shouldn't know, perhaps at that time. There are some projects which are so damn confidential that only I know of them; and there are some projects which are so confidential that only I and my board colleagues know of them."

(Managing Director², p.4/5, no.23).

But even some directors recognised that there might be some instances in which the need for secrecy was over-stressed;

"I would be prepared to debate whether we should share more of our information with some of our senior management than we currently do, I'm not convinced either way. I would say the senior management of the company, not the directors, would feel that they are sometimes kept in the dark on certain things; and I sometimes feel that maybe we should inform them more of what is happening to prove that we are not keeping them in the dark. There is

nothing clandestine going on which some people think there is."
(Sales Director², p.5, no.24).

The result was an abundance of expressions of frustration and annoyance by managers below director level:

"Regarding other aspects of the company there's a lot which I don't find out, there's a lot going on that we don't get told, which I think it would help, you know, just to specify exactly what's going on."
(Stores & Warehouse Manager², p.2, no.6)

"A year ago I used to know what went on here, there and everywhere. Increasingly I don't. And yes, there is a problem brewing I believe."
(Marketing Manager², p.5, no.19).

This cultural trait exemplified the essentially authoritarian nature of the organisation. The centralisation of significant information resources in a few senior people reflected the manner in which the business was operated; the four executive directors treated the company very much as their own, and made nearly all the major decisions between them, with the managing director having a dominating influence. Thus while a certain amount of secrecy was undoubtedly commercially necessary, the style in which the company was run naturally accentuated these secretive tendencies. The inevitable result was a build-up of tension among second-ranking managers who felt excluded from the information resources that would allow them to participate in the process of decision making, with the real possibility that conflicts between them and their director superiors may develop as the company evolves.

6.2.11 Zaniness

Company 2 possessed the most idiosyncratic personality of all the Group's subsidiaries, which reflected its aspirations in the children's

sector of the market where unusual and 'off-beat' products and packaging were advantageous:

"We are seen in the marketplace as someone who is different, a little bit off-beat, who is certainly trying to create a niche in the marketplace."

(Sales Director², p.5/6, no.29).

That this trait was also a cultural characteristic was indicative of the strength of the commercial orientation in determining cultural type and, possibly, the personalities of the senior management team:

"In the marketplace it's a culture of zaniness, of innovation of, if you like, game for a laugh. A reporter the other day asked me what the company was all about and I just said 'off the top of my head that everybody in confectionery was 'slightly cuckoo'... We tend to project that into the marketplace with commercial success and we tend therefore to project it internally; work hard, fall out, shake hands, kiss and make-up, bit of humour."

(Managing Director², p.2, no.7).

6.3 Information/Communication Profile

6.3.1 The M.I.S.: evolution

At its inception the only useful formal information systems possessed by Company 2 were in production; there were no systems in the areas of sales, marketing or distribution and those in finance were geared towards providing Company 1 with the information it needed to operate the site as a factory unit. Given that so many functions were dealt with by Company 1 there had been no incentive for the Group to invest in new technology at Pontefract which consequently had no worthwhile computer facilities. This absence of preconceived information systems in many departments would have seemed to have provided an opportunity for the senior executive team of the new company to develop an M.I.S.

without making compromises with tradition. The influence of culture is, however, not easily overridden. In addition to financial constraints, a desperate need to evolve workable systems immediately and a lack of familiarity with and experience of computer-based information systems meant that temporary solutions to complex information problems had at first been generated. These 'skeletal' systems were still in situ more than two years after the birth of Company 2, though continuous modifications were being made and plans had been formulated to purchase a major new computer system.

6.3.1.1 Description

The number of formal communication documents and channels (including meetings) was extremely limited. Concerning the commercial position of the company as a whole a management account document and a 'period-end package' were produced by the financial director, which were discussed in four weekly meetings of the four executive directors.

The sales department produced a few basic reports and forecasts. They were, however, limited by the primitive Omicron package which ran on Apricot micros and produced little management information other than invoices. An annual budget forecasting yearly sales and regular monthly updates with comparisons against the preceding month and the same month last year formed the basis of the sales and marketing information. This information was then re-packaged for compilation in the monthly managing director's report, for Company 2 board meetings and for sales forecasts, from which production schedules could be decided. The sales director held weekly meetings with the field sales manager and regular meetings with the national accounts managers. There was also a new product development meeting involving sales, marketing, the chief chemist, the works study manager and other interested senior personnel.

The production function (including engineering and distribution) had evolved a more complete and complex set of information systems. The most important reports were:

- 1) daily information from the distribution company employed by Company 2 concerning which product lines needed replenishment;
- 2) the production control manager's report concerning actual requirements against sales and budget requirements;
- 3) the works study manager's labour cost control report; and,
- 4) the forecast of labour requirements for the coming 3-4 months compiled on the basis of sales forecasts.

Formal documents regarding engineering mostly concerned capital expenditure and formed part of other documents, such as the management account. The works study manager and production controller both made contributions to a weekly information sheet produced by the financial director. The production director used these documents to compile a report for the Company 2 board meetings, a factory report for each accounting period and the production component of the managing director's report.

The production manager chaired two daily meetings, one at 8.30am which reviewed the previous evening's shift and one at 11.30am which planned the next 24 hours packing. There were weekly meetings scheduled between sales, despatch/distribution and the production control manager; monthly meetings of the production director, production manager and chief engineer for the purpose of discussing performance against budget; and 4-6 weekly meetings of the production director and senior production and engineering personnel in order to discuss means of improving productivity.

6.3.1.2 Problems with the M.I.S..

The formal information systems had often proved to be unreliable and the managerial team tended to treat internally generated information with some suspicion:

"I would be less than honest if I said there was any [information] system that I truly trusted.... I don't think that information systems should be implicitly trusted, I really don't, I think they should be constantly questioned in their accuracy."

(Managing Director², p.1/2, no.5).

"At the moment I have got to say that there is a question mark over the information that is provided. I would say that 80% is accurate, 20% is suspect."

(Finance Director², p.3, no.10).

There were a variety of reasons why company information could be inaccurate untimely or otherwise unusable:

a) human error:

"Any sort of [sales] statistics that needs to be done is done by me and done manually, and obviously that is a hell of an exercise to undertake, and as such there are bound to be human error in them."

(Finance Director², p.3, no.10).

b) lack of technological sophistication:

"The sales and marketing systems are less trustworthy not because of the people who are inputting the information but because there is... the 25th hour of the day has been worked and... the small Apricots... do not adequately supply the information, the control of the monitoring that the new integrated computer system will give us and therefore it's not so much that I don't trust them - the information ain't there."

(Managing Director², p.2, no.6).

"...we are in a situation where we have very little management information, I'm talking now about sales statistics, and because of the history of Company 2 we currently have a computer system which

does a basic function of invoicing; it gives us no information regarding sales by territory, by customer, by line, by pack. It therefore means that anything to do with targeting of salesforce is judged in a total basis from their reported sales, not the actual sales invoice by territories.... The basic information we currently produce is produced manually, it's long, laborious and because it is produced manually it's too late on many occasions. We get the simplest information, being only sterling turnover, no breakdown by line and pack."

(Sales Director², p.1, no.2).

- c) inefficient and ineffective information gathering and processing systems:

"The company has mushroomed fairly rapidly but it's still reliant on old services, old methods - and they are archaic."

(Marketing Manager², p.6, no.25).

"In the one area where we had a tradition of systems, in the one area, that was production and stock control, there we have had really the roots of the system for 15-25 years, that's probably our most nightmarish area, because that is the most difficult area to turn over."

(Managing Director², p.1/2, no.5).

- d) a dearth of inter-departmental meetings and briefing sessions:

"I certainly think there should be a greater emphasis on senior management operations reviews meetings to understand the problems that the factory has, so you aren't just isolated. I think within the group there should be an awareness of information available within departments."

(Marketing Director², p.8, no.42).

- e) many systems were geared towards producing information relevant to the company's past rather than present operational needs:

"We haven't really had a chance to do an in-depth analysis of the traditional information; an awful lot of traditional information requires one hell of a survey, and I'm pretty convinced that 40% of it could go through the window, because it is traditional information that is generated.... It was information that was generated as a result and as a need for being a manufacturing division of Company 1 as opposed to as a need and as a result of being Company 2. Therefore it's got to be questionable."

(Managing Director², p.2, no.9).

Given Company 2's history and culture these are precisely the information problems one would expect to find. Historically, it was because the company had until just two years ago been a manufacturing unit starved of investment in information systems and without any real need for great sophistication, that its information systems were primitive and incomplete. A myriad of cultural factors have also to be taken into account. Senior individuals were so heavily engaged in their everyday work programmes that formalised information exchanges in the form of regularised meetings with their peers and immediate superiors/subordinates were not feasible. This same preoccupation with 'doing' rather than 'planning' meant that little attention had so far been devoted to the construction of efficient and effective manual information systems and that therefore the amount and quality of control information was extremely limited.

Similarly, the value of external and especially market information, while explicitly recognised by the sales and marketing staff, was in no way considered a priority. This can be partly accounted for by the company's lack of resources, i.e. even if there was valuable market-type information to be purchased there was a question mark over whether it could be afforded. However, it also reflected the cultural conviction that as the potential market for the company's products was so great and their productive capacity and market share so small, there was no pressing reason for investing time and money in

investigating the market. Add to this the familiarity of the sales director, marketing manager and managing director with the market, and the constant up-dating function performed by the salesmen in the field, and the senior executives thought they saw a prima facie reason for diverting scarce resources to other and more immediate problems.

A further reason why the company was prepared to put up with inefficient and ineffective manual information systems in the short term was that a new set of computer systems were in the process of being purchased and installed, and there was confidence that these would obviate many of the difficulties then currently being experienced. Thus it cannot be argued that the company was totally constrained by its culture viz. information/communication problems. Ameliorative action was being taken, though it had taken two years, and responsibility for overseeing information systems had been devolved to the finance director who had not been fully socialised into the prevailing culture, allowing him to look afresh at what was required. It should, however, be borne in mind that these planned computer-based information systems were primarily going to be for the use of finance and to a lesser extent the sales department, that is, the more recently bolted-on sections of the business. The production department including works study and the warehouse facility where the systems and individuals who worked them had been in situ far longer were not going to be greatly affected by these innovations.

6.3.2 Information Culture Type

Company 2 possessed an oral information culture, with many individuals expressing a preference for information transmission within the company to be conducted by word of mouth wherever possible. There was, though, a noticeable bias towards preferring information to be passed to them in written form while they themselves expressed a preference for communicating their information orally. This attachment to oral communication was evident from the managing director downwards:

"I have a preference for as much information as possible to be passed by word of mouth. I have an obsessive hate of this bloody rubbish, of the written word. I have an acceptance that there is a degree of it that is absolutely inevitable.... I suppose you tend to communicate orally with those you have implicit trust in and more of those that you admire their professional skills and their managerial ability and one tends to communicate in written form just because you think relatively lowly of them and that it's necessary to remind him either of what you've just said or not just said, because 'there you are mate, you've got it in writing now'. I think writing is, written communication is in some ways moving towards an insult to the integrity and ability of the true professional. The person who has not quite got that skill, and obviously there are many shades of grey...."

(Managing Director², p.2/3, no.10/13).

Thus while large amounts of complex information, financial data and legally necessary material was written down for obvious reasons - limited memory space, ease of analysis and legal imperatives - these were the exceptions rather than the norm. Similarly, while there were individuals who were not natural oral communicators these people, such as the chief chemist, finance director and marketing manager, had recently worked outside the company, and presumably had yet to be fully socialised into the culture. Alternatively, it might be hypothesised that the chief chemist and finance director had functions that determined that much of the communication they were involved in had to be written, and that therefore they may never become fully enculturated into this dominant oral communication culture. Interestingly, where long-serving individuals had not developed oral communication tendencies they regarded this as a fault:

- Q: "How do you prefer to transmit information, by word of mouth, in written form, or do you have no preference between the two?"
- A: "By written form, - it tends to be a fault of mine." (Works Study Manager², p.1, no.3).

There was a perceived need to communicate orally due to the forced pace of activity within the company, which meant that individuals spent much of their time 'trouble-shooting' and 'fire-fighting' rather than engaging in longer term planning under the influence of peer pressure to be active rather than to codify problems in memos and reports:

"... most of it [the work] as I say [is]... trouble shooting, chasing-up."
(Stores & Warehouse Manager², p.1, no.3).

"We will do rather than think about it. We are doers, we are active, we are doers and troops; and a memo is in a way a non-productive thing. It isn't, but it is that sort of sense of 'we will get on and do it rather than write about it, hear about it'."

(Marketing Manager² p.7, no.38).

The inevitable result was a certain amount of information distortion, misunderstanding and tension:

"I give a lot of information out to certain people whereby the information I give ends up being distorted. The whole thing is changed round and is not what I said. I wouldn't say it is done deliberately, I would say more often than not it's done because the people I've been talking to have not been listening properly."

(Buyer & Packaging Manager², p.3/4, no.9)

Persistent problems in some areas of the business had led to the development of mistrust, and consequently of them insisting that written confirmation of all important points be provided to them:

"There's a bit of inherent mistrust in that respect between individuals and that does happen.... Our production planning department always insists on having orders with the changes to orders in writing. In those instances I think that is probably right and proper, but in other instances I think it is to a

certain extent comes from mistrust, or perhaps insecurity as opposed to a genuine need."

(Production Director², p.2, no.5)

6.3.3 Ad Hoc communications

The cultural beliefs of individuals in senior managerial positions, favoured informal and ad hoc communication, and this had effectively restrained the extent to which channels of information flow had become formalised, regularised and systematised:

Q: "Would you like to see your M.I.S. made more formal?"

A: "No, I'd like us to do our informal communication a damn site better than we can; and for the immediate short-term future I'd be a bit wary about setting up a more formalised situation - they mean more meetings, more committees, more communications on one side of the coin, the other side of the coin, is very small overheads, very tight team tightly managed. If I've got the buggers in committee stage 7 hours a day I'm losing the commercial reality of what they are being paid to do and achieve, and that will only leave them with one hour a day." (Managing Director², p.6, no.29).

Q: "Is there a formal M.I.S.?"

A: "Ad hoc, random, as-and-when, but it seems to work." (Sales Director², p.4/5, no.22).

The cultural preference for ad hoc information exchange during lunch and coffee breaks and via unscheduled meetings and telephone calls translated into a considerable organisational reliance on non-systematic communication. The cultural justifications for this approach were the supposed speed and efficiency with which information transfer could be accomplished. In an environment where individuals felt under pressure there was little enthusiasm for taking more time 'out' in regular meetings or codifying information in written reports. In addition, levels of professionalism among middle and junior ranking managers were insufficiently high to make formalised meetings a viable option; they simply lacked the communication skills, interpretive abilities and procedural experience to make them operable. The organisational preference for the non-systematisation of information

exchange mechanisms was underpinned by the relatively high levels of trust and confidence senior managers had in each other and the closeness and familiarity which bound them together in tightly-knit friendship groups. Everyone recognised the communication advantages of these cultural traits:

"The one thing which puts us in a different sphere from Company 1 is the fact that everyone is so closely knit here, that even if [formal] communication is less than satisfactory, people by one way or another get to know of certain things. And so even if we've not been told officially like about a new pack or something, then they will find out one way or another, and they can work on it if they feel they should."

(Buyer & packing Manager², p.3, no.6).

"I think the size of the company lends itself to people telling other people what's going on. You know, I get the marketing manager, she'll often ring up and say 'by the way this has happened, just thought you ought to know'.... But you tend to get that more often than not, because of the size of the company. We all know one another, *we can all talk* to each other more easily than perhaps a bigger company certainly would allow."

(Production Director², p.5, no.17).

Nevertheless there was a growing concern that with the increasing size and complexity of the company the cultural attitudes supportive of ad hoc communications were causing problems and eventually come to be dysfunctional:

- a) As functions were not locked into a formally integrated set of information systems, and because many people were still learning their roles there was a tendency for individuals to fail to perceive the relevance of information they possessed for others:

"If we're building high stocks it's because there's been a change in forecasts, either the sales have dropped so production are not producing or sales

are high.... And that is just what's happened. We're now taking labour on to run an extra shift. So what I have done with stock control, stock control have said 'look, we're getting high stocks'. I looked at the situation and said 'right, we'll look at putting contracts back'. Before I have a chance to do that I overhear a conversation which says 'we are taking 16 women on in the Mushroom Department'. So that gets me thinking if we're taking women on then that means we're going to boost production, how does that affect these figures. That information is not forthcoming, so then I go over to the production director and say 'well what's this all about you taking women on?' And he said 'yes, we're increasing production'.... If you're not getting the information then you are hunting it all the time, and it's not necessary."

(Buyer & Packaging Manager², T1. S1. 104-120).

Q: "Have you ever been aware of people not distributing information because they failed to perceive its relevance to others?"

A: A little bit, yes, that happens. Again, going back to communication where they don't perceive the relevance.... But it's a learning process because people still aren't fully aware of what marketing means. (Marketing Manager², p.5, no.22).

b) Senior managers were largely functionally insulated from the junior managers and shopfloor operatives and there was, consequently, little communication between the two as few formal mechanisms existed to mediate information flow:

"The communication between the junior management and the shopfloor, between middle management and junior management is not what it should be. And therefore the age-old techniques of briefing groups will be employed. It might take us 2 to 3 years to start to communicate properly, because we've got to communicate better because in the end the people who make our confectionery as well or badly as they do do is people on the shopfloor. They are the people who physically make it, and they are the

people with the good ideas, and they are the people with the bad practices and the good practices, and they are the people who we all too often leave the unions as being the acknowledged communicators, and it's balls. The responsibility for communication between our employees is with the company, the side responsibility is with the unions.... We must not renege on the fact that we must communicate with our employees and listen to them, and there is no formalised structure to do that apart from yes we do have union councils, yes we do have works councils which consist of union and non-union people and the company representatives.... But if you do want to encourage a situation of passing a message down the line and getting it warped by God we're going about it in the classic manner, and therefore briefing groups have got to come in, and will come in, but it will take some time."

(Managing Director², p.5/6, no.28).

Unsurprisingly, middle and junior ranking employees who did not enjoy the information privileges which went with being a member of the elite managerial group felt frustrated and marginalised:

"I think there could be an awful lot more crossing of information from different departments, and talking about things in general - not because they specifically need to know it in order to do their job but because it's nice to know. I personally feel it would make me feel more part of the company to know what problems [the production director] had on the production line.... I don't think he realises what sort of problems I have at times. If we had a regular session, even if it were once every three months, all round a table and discuss things in general I would personally prefer it; it makes for a much better working relationship."

(Credit Controller², p.2/3, no.10).

Within the production department at least this problem had been recognised and steps taken to ameliorate it:

"I think that historically the departmental managers for example, the foremen and foreladies for example, have been much less involved than they ought to have been, whether it's consciously or unconsciously I think that's the case. It's something we are trying to do something about. For example, my production manager is having briefing meetings with all the foremen and foreladies once a month to let [them] know what is happening. I'm trying to have discussions myself on the shopfloor with departmental managers, involving them on discussions on labour variances. Now when a hygiene visit takes place, whereas before it was either me or [the managing director] or one of the quality control managers who would take them round, they might get introduced as a departmental manager if they were lucky, that sort of thing; what I'm doing now and have been for the last 6-9 months is that the departmental manager is responsible, O.K. with me in attendance, but in fact they are taking the visitor around. I'm deliberately trying to get them involved, they have the discussions with the visitor, they answer the questions, they get the embarrassments if they don't know, and equally they get a pat on the back if the visitor thinks that looks great. There is a conscious effort to improve that involvement in communication."

(Production Director², p.4, no.12).

- c) The heavy reliance placed on individuals at all levels to make their own decisions regarding what their superiors should see or hear meant that senior managers could either receive a deluge of unfiltered information or only a part of the total information necessary for planning or decision making depending on the skills and personal inclinations of their colleagues:

"I think there is always a tendency in a new company when that company kicks off, for management information, it's not

really understood who wants it. I get information on new market plans, new brands that are coming out. Yes I prefer to get them as individual pieces of paper. I would prefer that as just a summary, I can't be bothered to go through each individual one and sit down and work out how much the actual price is."

(Finance Director², p.9/10, no.35).

"[There is] very little filtering from subordinates, that's one of the problems I have in my position. Because of, again, going back to the history; when I came here I had to know everything and be involved in everything and understand everything and start to build new systems and introduce new systems. And unfortunately I have not been able to shed some of that workload and I get a lot of pieces of paper which I should never get; lot's of pieces of paper I should never get which should be actioned before they get to me."

(Sales Director², p.4, no.17).

- d) Informality meant that there was a vast scope for withholding and modifying information:

"You know, if product has gone down the drain, they're not going to tell me unless I find out. It starts off with the young man who does it; if he doesn't tell his supervisor's foreman I aren't going to get to know. I'm certain that the information coming back from the managers and the forepeople is as good as it's likely to be. I don't think they hide much at all. But I mean I think they filter it; I think they might tie a fancy ring round it before they tell me."

(Production Manager², p.7, no.40).

6.3.4 Informal Communication

The extensive nature of ad hoc communications within the company meant that it was often difficult to distinguish gossip and speculation from management information. The informal communication network had in effect been co-opted into the generally accepted system for information transmission.:

"Because the company has no formal information structure it's very nebulous as to what is gossip and what is information, because you haven't got that formalisation of communication."

(Marketing Manager², p.6, no.29).

With regard to the workforce in general the senior managers took an interested if not manipulative view of the grapevine:

"You can get the general mood of a [pay] offer that's made, that's all. It's not that good. We've got some moles.... To me it's not that important; certainly in personnel-relations they are important."

(Finance Director², p.40, no.97).

"The internal grapevine is one of the most useful assets for being aware of what's going on. But in general terms it is localised knowledge, it's not Group knowledge. [One might learn] who is happy, who is dissatisfied, who is likely to leave us, who is likely to do that, where there's a problem.... If you've got certain contacts in certain areas then you get to know where discontent is, and gives you a chance to put it right. It's a useful tool to have, it's handy to know. Let's say for instance we had a ballot on wage negotiations and I'd like to know how they are going to vote, I can get a good idea - that sort of thing."

(Production Manager², p.11, no.72/73).

6.3.5 Information Consciousness

In the first two years of its existence information and communication issues had taken second place to the commercial task in hand. Individuals were assigned responsibilities and expected to achieve them through interaction with others without recourse to formal mechanisms of information exchange through which cooperative activities could be coordinated. The result was a form of 'organised chaos' in which projects were accomplished more as a result of enthusiasm and initiative rather than any formal machinery of organisation. While on the one hand this placed inordinate demands upon the time and energy resources of individuals, on the other it also demonstrated a lack of information consciousness. There was evidence that information was valued as a resource useful to the company in the same way that land, labour and capital were prized, but little realisation that information required management or that formal systems of information could be efficient and effective means of facilitating organisational success.

The company's concentration on action rather than planning the framework for acting more rationally was partly the result of the demands made upon the organisation by the Holdings Board in the form of profit targets. However, it also reflected the cultural bias to action, a point recognised by the senior managerial team:

Q: "Would you say that the company as a whole was information conscious?"

A: "No. I think there are some areas of the business that see the conveying of information to other areas is less important than what they are actually doing. That's my personal view. In some respects I can appreciate that attitude in that you've got enough work to do without having to write something to tell them what's happening.... I do think there are times we get to a situation where it's a pain in the backside to actually produce the information, but it's critical that people have the information." (Finance Director², p.37, no.79).

Q: "Would you say that Company 2 was information conscious?"

A: "... The flip answer is 'yes', but I think it is a flip answer. I don't think as a team we have mentally addressed ourselves to

information except in certain areas. I think the philosophy of the company is information conscious, I think the youth of the company means that we are not harnessing information to its best." (Managing Director², p.6, no.30).

The youth of the company made a confident appraisal of the organisation's 'information consciousness' difficult. The expressed beliefs of the senior managers seem to suggest an awareness of the value of information resources and effective information and communication systems for organisational efficiency. While these beliefs had yet to be manifested in the form of action and investment this may well only be a matter of time. All that can really be said is that while information was valued it did not have the same high priority as investment in new production machinery, and although the importance of effective communications was recognised no serious examination of them had so far been conducted.

CHAPTER SEVEN

SUBSIDIARY 3

7.1 Introduction

Company 3 was formed as a separate trading company in 1986 to handle Group sales outside the two home markets of the U.K. and the Netherlands. It was derived from the international section at Company 1, which was extricated from its original setting and reconstituted three and a half miles away in offices adjacent to the Holdings Board. The creation of the international division reflected a growing awareness on the part of the Group that foreign markets represented an enormous opportunity for organic growth, confidence that more resources should be invested in international business, and the perception that a new organisation was required to maximise export potential. As the Chairman stated at the time:

"We believe that this approach will enable us to build on existing strengths in our established overseas markets, to expand into new markets, to expand into new areas where opportunities for profitable growth exists, and to exploit group product resources and expertise in a cost-effective way."

(Chairman's Statement, Report & Accounts, 1986, p.4).

In its first year of trading Company 3 achieved record sales (of £13.8 million) and trading profit (£785,000), and further expanded its sales management team. However, in 1987/88 the company failed to match the previous year's profits, which dropped to £534,000, mainly due to the strength of sterling.

Company 3 was a 22 person operation consisting of two main departments; sales and marketing, and finance/administration. The sales and marketing department was headed by a marketing director to

whom were answerable three area managers and their assistants and a packaging manager and his assistant. The finance/administration department was the responsibility of the finance director to whom answered a commercial manager and an administration manager; under the administration manager were three account controllers and five employees looking after credit control and general accounting matters.

Two years after its inception as a separate trading entity Company 3 was still adjusting to its independent status. The beliefs, values and attitudes which had developed among the employees during their time at Company 1 were still very much in evidence, as were close personal bonds with key staff at Company 1. Indeed, while a large number of staff had an intimate knowledge of how Company 1 operated it was comparatively ignorant concerning the other Group manufacturing subsidiaries. Consequently, there was a tendency for Company 3 to concentrate on selling the product range of Company 1, much to the chagrin of the other manufacturing subsidiaries.

Company 3 was a relatively young organisation, and while a uniquely identifiable culture was beginning to emerge, its close historical association with Company 1 and current physical proximity to the Holdings Board encouraged a high degree of cultural harmony with the Group as a whole. This congruence with the dominant Group culture translated into a belief on the part of many respondents that the culture of their organisation was relatively weak:

Q: "Does Company 3 have a recognisable corporate culture?"

A: "I think... perhaps we do have one, but it's not sufficiently evident really. It's not particularly strong." (Finance Director³, p.15, no.84).

Part of the cultural inheritance the company had imbibed at Company 1 were beliefs and values which supported a traditional and conservative approach to business:

"...without knocking the organisation too much it's quite a historical, out-dated culture. A lot of decisions and attitudes are based on the way things

used to be done, and I think less so in Company 3 than in the Group. I think Company 3 are now going through the 21st Century, or at least the 20th Century stage: it's probably up to about the 1960's. Now Company 3 is a lot more forward thinking than a lot of the other organisations. It's definitely my granddad did it this way, my dad did it this way, I'm going to do it this way."
(Export Area Manager³, p.18, no.88)

In common with the other Group subsidiaries Company 3 felt particularly vulnerable with respect to the changes and exigencies in its external business environment:

"...we're exposed to so many external factors which we cannot control.... in terms of external environment you can control the majority of marketing functions. It is impossible to control currencies. It's almost impossible to take out the uncertainties of restitutions and M.C.A.'s (Monetary Compensatory Allowance) which is the balancing valve within the E.E.C. that relates to currency strengths; they have a fair old impact on the business and we find those incredibly difficult to control. We can take some of the uncertainty out of it by fixing forward; but I guess the furthest we can look at is 12 months."

(Marketing Director³, p.24, no.5/6).

Company 3 considered itself to be more sensitive to the overall needs of the Group and to be more concerned with the health of the Group (and not just its own well-being) than any of the other subsidiaries. Indeed, the egocentricity of the manufacturing subsidiaries was a constant source of frustration for the international division:

"...it is awkward because we feel that we do have responsibility to the whole Group, although our priority is to Company 3. But the position we are in we sometimes see more of the effect on the Group than the manufacturing units can because we're at the sharp end

outside the U.K.." (Export Area Manager³, p.5, no.36).

7.2 Cultural Profile

7.2.1 Personnel Orientation

The personnel orientation was as well developed at Company 3 as it was at Company 1, with employees rights and working conditions being considered as important as their economic value to the organisation:

"It's [the company] definitely personnel-based."

(Finance Director³, p.16, no.86).

However, on account of the small size of the company (and possibly its proximity to the Chairman's office) there was no personnel officer, and this fact was noted by the more junior members of staff as being significant:

Q: "Does the company have a benevolent attitude towards its employees?"

A: "I think its tries to make out that it does and I don't think for one minute that it has anything untoward in that. I don't think that the senior management are perhaps aware of some of the feelings of the individuals, but that was possibly because we haven't got a real personnel manager; our personnel manager is also the F.D. and as such he's got to be the worst communicator in Company 3." (Deputy Administration³, p.17, no.97).

Thus while the company was recognised as providing secure employment and being favourably disposed towards its employees, there was a feeling that a safety valve for channelling small-scale discontent was lacking. The chairman, although he took responsibility for overseeing pay scales and car allocations, could not reasonably be approached concerning minor problems and grievances. In addition, the finance director within Company 3, who had some personnel responsibilities, was not a person who it was easy for junior staff to approach. This was an interesting case of where the cultural inclinations of a company were undoubtedly personnel-oriented, but the

mechanisms which would facilitate a smooth-running personnel function had not been instituted. The result was that while the senior managers could easily recognise Company 3 as possessing a highly developed personnel orientation, less senior staff were more sceptical of the organisation's benevolent intentions.

7.2.2 Loyalty

As Company 3 had only recently been formed out of Company 1 and the staff who had been employed in the international section of Company 1 were now (with some additions) the staff of Company 3 it might be expected that they would exhibit a residual loyalty to their original company of employment. This was indeed the case. The staff of Company 3 were not only intimately acquainted with the people, systems and products of Company 1 but were arguably inclined to favour the company above the other Group subsidiaries. Thus when orders for products which could be manufactured at several Group companies were gained, there was evidence to suggest that these tended to be channelled through Company 1. However, there was also a considerable and growing loyalty to Company 3 itself which seemed to have increased with the length of time the organisation had been independent of Company 1:

"I would say that people at Company 3 are proud to work at Company 3, and happy to work at Company 3. That goes for the majority of people. I think it's more prevalent since we've moved away from the parent company. We are much more aware that we are a separate entity."

(Deputy Administration Manager³, p.17, no.95)

7.2.3 Informality

The company was characterised by its informality. Individuals tended to see themselves as part of a team working towards common goals which formalisation would impede. This was especially true of channels of communication:

"We're a sort of informal team here."
(Finance Director³, p.11, no.20).

"I think if you formalised channels of communication you would lose a lot."
(Administration Manager³, p.11, no.82).

This cultural trait was manifested in a variety of other ways: access to senior executives including the M.D. by junior staff was relatively straight forward and did not usually require an appointment; access to information resources was not rigidly controlled; individuals tended to be on first name terms; and the general atmosphere of the company was casual and relaxed.

7.2.4 Autocracy and Democracy

The culture of Company 3 was extremely supportive of democratic, consensual and participative action. This said, major strategic decisions were, predictably, made by the three directors:

"I tend to think that at the end of the day authority tends to rest with the 3 [directors] of us."
(Finance Director³, p.17, no.9).

"...strategic decisions are basically taken between [the marketing director, the M.D. and the financial director]."
(Export Area Manager³, p.17, no.65).

But a multiplicity of day-to-day operational decisions and some higher level decisions were devolved to the area managers and senior administration manager:

"As far as is possible I try to encourage the individuals to make their own decisions. However, it tends to be the more major decisions which I have an impact upon. If we were going to alter something fundamentally then I would expect to have an input. Citing examples, if for instance, we were going to change our distributor in an overseas territory, then I would expect to have a fairly sizable input into that decision

making process. However, the actual decision would be the area manager's, because at the end of the day he has to live with the territory and I don't."

(Managing Director³, p.13, no.57).

"We really try and run the operation on a very open basis. It is very democratic. In many respects it is perhaps too democratic in that on occasions where you do have to take decisions without any input which are not popular decisions you end up with people questioning your decisions on... 'why are we doing it this way, I need an explanation'. I guess that they are not really entitled to ask for an explanation, but that's probably one of the biggest drawbacks in running a democratic team."

(Marketing Director³, p.12, no.93).

The free and easy working environment of Company 3 also meant that there were a minimum of restrictions on information resources:

"...from my own personal point of view... I've seen information that I wouldn't have seen when we were down at Company 1 for instance. I have seen a lot of delicate information on financial matters."

(Deputy Administration Manager³, p.18, no.5)

"We don't operate just a 'need to know' basis here, we do have a 'nice to know' as well. I think some people view it as a 'need to know', but I think there's far more information that goes on in the building than in a 'need to know'."

(Export Area manager³, p.14, no.19).

The small size of Company 3 and the personal inclinations of the managing director combined to make the international division the most democratic and participative of all the Group subsidiaries. Not unnaturally there was evidence of a reaction against this full-blooded democratic work ethic by some senior managers, who showed signs of interpreting the prevailing democratic norms as a threat to their

authority. Given that the Company had only been in existence two years more time was obviously required before a generally acceptable level of questioning and participation in decision making by junior managers; a state of dynamic equilibrium had yet to be achieved in this facet of corporate life.

7.2.5 Competition and Cooperation

As the sole function of Company 3 was to market and sell Group products in the international arena, it might have been expected that this would have been the most internally competitive of all the subsidiaries, with the competition faced externally being projected inside the organisation. This was not the case, and though there was some evidence of a competitive spirit between the area managers and between junior employees within the administration section, in neither case was this pronounced:

Q: "Is competition between individuals encouraged?"

A: "Possibly yes, in terms of admin., because they're all fairly young, they all want to develop; there are four different tiers within admin., of which everybody wants to get to the top. I think in sales there is some competition but not really as intense because we all have a different function. We have different areas which are totally different ways of running things...We're all pulling together; and I think there's more encouragement than competition in that if anybody has a problem we will group together and quite regularly, informally throughout the day we will end up in one or each others' offices and just generally discuss problems or opportunities." (Export Area Manager³, p.12, no.3-5).

[Competition] is probably encouraged on an informal basis in that they are aware of how their peers are performing. Therefore there will be an implied competitiveness required from them, but not to the extent where guys are grilled if they're not performing or if they're bottom of the league table. It tends to be an intrinsic thing." (Marketing Director³, p.11, no.85).

The company culture stressed cooperation over competition:

"We work as a team; we're a small staff of 22 people."
(Finance Director³, p.9, no.89).

Q: "Is the company internally competitive or collectivist?"

A: "It's not competitive at all." (Deputy Administration Manager³, p.17, no.96).

This cooperative corporate ethos had almost certainly developed among the employees of Company 3 during their time at Company 1, and had since been perpetuated by the managing director, whose personal philosophy greatly restricted the scope for competition between individuals.

Q: "Is competition between individuals within the organisation encouraged?"

A: "To a degree, yes. Given, if you like, that our fundamental role in life is somewhere between professional selling and marketing and commercial trading I think a little competition is healthy for the organisation. (Managing Director³, p.15, no.84).

7.2.6 Conflict and Confidence

Levels of trust and confidence within Company 3 were sufficiently high to facilitate work activities, and a high degree of oral communication between individuals. Conversely, fear, hostility and distrust were considered insignificant features of the culture:

"I think it [hostility] is a minor thing.... I think Company 3 basically exists on its interaction."

(Export Area Manager³, p.14, no.19).

"Distrust within the organisation I don't believe is a factor, or it's not evident as a factor to my knowledge."

(Managing Director³, p.17, no.94).

"I think it's high trust really; because we have access to people's office, and yuh, I think it's high trust."

(Deputy Administration Manager³, p.17, no.99)

Nevertheless, there were individuals who were regarded as untrustworthy and/or hostile by the respondents:

"I think the general attitude is high trust, high confidence. There are people within the organisation you realise you can't trust.... But it's more individuals than organisation."

(Export Area Manager³, p.19, no.94).

"Again, it's personalities. We have personalities within the office which are resentful of superiors and it does pose a problem. Someone will ask a person to do something and the reaction would be 'no it's not my job'."

(Deputy Administration Manager³, p.9/10, no.4/5).

This conflictual activity was primarily a function of personalities and not really identified with the cultural fabric of the organisation. More interesting was the conflict between the finance/administration and marketing/sales sections of the business. Junior employees in administration resented the fact that the sales and marketing personnel were generally paid more and had more status than themselves. The situation was inflamed by the fact that administration personnel worked on the ground floor of the building, while senior managers including all the marketing and sales employees had offices on the first floor:

"I think that again senior management ought to be made aware of the important function that different departments play. I get the opinion that the senior management here are first and foremost sales-oriented; you've got to be a salesman, fair enough, but salesmen can't function adequately without the back-up service."

(Marketing Director³, p.23/24, no.98).

This tension had recently become more pronounced following the discovery that senior managers within the company had the privilege of a generous bonus scheme:

"We had a classic example that there was a bonus scheme in operation which [was] not generally meant to be known. It was for senior management. People found

out, assume whatever, and it caused a lot of conflict. That has not helped the 'them-and-us' around here in particular."

(Export Area Manager³, p.21, no.17).

There was also evidence of conflict between the finance and marketing directors, based on their different perceptions of what activities it was most important to perform at any given time:

"A financial guy is concerned about tidying the books up by the period end. If we're chasing the area managers and with limited amount of time and resources either to push through paperwork for credit notes or to do something a bit more creative in terms of generating business, then I'm always going to fall back on the creative development side, whereas the financial guy is really looking to tidy up the books and balancing the columns."

(Marketing Director³, p.24, no.3).

Company 3 possessed an essentially high trust, high confidence culture in which team work and cooperation were valued as the 'appropriate' mechanisms for the achievement of work objectives. The personal tensions and inter-departmental conflicts that were evident were mostly of minor significance, and few individuals thought they had any substantive impact on the business. Thus in this respect, as in so many others, the culture of Company 3 was in harmony with the dominant Group culture.

7.2.7 Pace of Activity

The pace of activity at Company 3 was generally quite relaxed, though it could move with speed when required. This unwillingness individuals felt to push themselves hard was notable at all levels in the hierarchy, and seemed to be sanctioned by the managing director, with whose open, informal and casual management style such attitudes were congruent:

"I think at times although it is frenetic, a mixture of the traditional and the benevolent can make it very comfortable to stay here, but not to strive too hard."

Q: "It's not very dynamic, fast moving, Mars-style?"

A: "No." (Export Area Manager³, p.19, no.98/99).

"I have to say on the whole... I see the decision making process in Company 3 and on a corporate basis as being fairly relaxed. There isn't the go go go and 'we are doing', that I've seen in other companies."

(Finance Director³, p.16, no.97).

7.2.8 Closeness and Familiarity

There was a closeness and familiarity about the culture of Company 3 which derived largely from its small size, both spatially and in terms of the number of people it employed. This was significant in terms of the extent to which communication channels within the organisation needed to be formalised; obviously, with so many people interacting freely with individuals from other sections and with access to information not unnecessarily restricted, ad hoc communication could usually be relied upon to service the internal communication requirements of the company quite adequately.:

"Being a closely-knit sort of company one does not always find something out through the functional head necessarily."

(Finance Director³, p.15, no.83).

7.3 Information/Communication Profile

7.3.1 The M.I.S.: evolution

The formal M.I.S. in place at Company 3 had originally been developed during its time as the export department of Company 1. These

information systems had subsequently been greatly modified to take account of the company's independent status and new objectives: rather than attempting to make a contribution to the overheads of Company 1 Company 3 was now a profit centre with a profit responsibility of its own. The information implications of this radical change in objectives were profound:

Q: "Was your M.I.S. developed at some definite time or has it just evolved out of existing working practices?"

A: "I think a bit of both; certainly within the old export department of Company 1 we had an internal management information system which really was developed out of trading at the margins; like we were exporting the marginal bit of production. We were trying to make a contribution to the company's overheads rather than seeking a profit from our operations. When this particular organisation was brought into existence, suddenly at one moment in time, we had to refine our M.I.S. to such a degree that every element of our own costs were suddenly brought into the picture, which had possibly been forgotten under the old method of operating, so I can answer your question with a sort of 'yes' on both camps. (Managing Director³, p.20, no.17).

Since 1986 new information systems had been developed, but these were still quite rudimentary. There was a belief that because the organisation was so small there was not a great urgency to formalise that communication which could be efficiently and effectively accomplished on an ad hoc basis. The managing director was, however, keen to institute more formalisation, and develop existing systems to provide more information, especially in the area of marketing/sales:

"They [companies 2 and 4] are like ourselves right in the middle of putting together their information systems, and we obviously focus very hard upon accounting systems as a start. Now we are able to do forecasts, historic records, etc., but we are not where we should be yet by a long way."

(Managing Director³ p.4, no.18).

From an initial position in which Company 1 provided Company 3 with much of its computer-derived information the organisation now had five

micro computers which not only dealt with the sales order processing and accounting functions, but were useful sources of a variety of management information.

7.3.1.1 Description

The company's M.I.S. was largely founded on the record of daily business compiled by the administration department. These daily reports were collated into weekly reports which recorded actual performance against budget by customer and territory. In turn, these weekly reports formed the basis of the management accounts, which provided the basic control information for Company 3's senior management and the basis of the monthly managing director's report to the Holdings Board. A weekly and monthly customs schedule (a legal requirement for the benefit of Customs and Excise) was also produced. On the marketing and sales side of the business monthly sales forecasts (by line and pack) were produced by the three area managers for their territories, largely for the benefit of the manufacturing subsidiaries.

There were no regular and routine meetings held within the business other than Board Meetings. Rather, a plethora of ad hoc meetings tended to take place to resolve specific problems as and when they occurred. The number of routine reports was also extremely limited, though here again a considerable number of ad hoc reports and forecasts (concerning new products, the state of various markets, currencies receivable and so forth) were produced when required.

7.3.1.2 Problems with the M.I.S.

The youth of the company M.I.S., a lack of resources, a lack of planning and careful consideration concerning information/communication issues, and the cultural bias for ad hoc and informal communication engendered a number of problems.

- a) There was a tendency for information to be produced later than was considered optimal:

"It [the M.I.S.] doesn't operate as efficiently as it could, in that the information could be generated, I believe, more quickly than it is."

(Managing Director³, p.21, no.22).

- b) There was insufficient predictive information being generated by the internal information systems concerning the markets the company serviced:

"We generally get information when an event has already happened. We don't always get the pre-emptive information."

(Export Area Manager³, p.15, no.46).

- c) The company produced a lot of general, background information, rather than information with a specific decision-orientation:

"Generally speaking most of the internal information is fairly relevant, but it's possibly not as specific as I would like it to be. When that proves to be the case, I can take immediate action to put it right or we can talk around how in the longer term to improve the quality of the information we produce. Again, the system where you have really an embryonic company, there is still a lot of work to be done."

(Managing Director³, p.6, no.32).

- d) Some documents still had to be refined to capture the detail required by some of their end-users:

Q: "Have you ever had insufficiently detailed information passed to you?"

A: "Yes.... Well if I can give you an example. One thing which is produced here is a periodic rolling forecast taking us further through the financial year to see how we're going to do in volume terms. That's produced partly as a marketing tool and partly as a financial tool, and at present the format in which it reaches me doesn't give me all the information that I need in order to do certain of the forecasting that I have to do." (Finance Director³, p.3, no.29).

- e) Inaccurate information was not generally a problem except as regards sales forecasting, an area which posed difficulties for all the Group's subsidiaries, and doubtless the rest of British industry as well:

"We've had certain cases this year where the sales budget, which was put together round about December 1986, has proved fairly inaccurate in various markets, the biggest of which being the market which has affected us most severely, has been the Middle East."

(Deputy Administration Manager³, p.1, no.11)

- f) Sales forecasts were also problematic in another respect; they tended to be almost solely for the benefit of the manufacturing units, and especially Company 1, rather than the marketing/sales team at Company 3:

"The forecast system currently is linked into basically what factory require as opposed to what we as Company 3 require. That will change, I hope in the next 2 or 3 months, in that we will develop our own forecasting system which will run totally independently of any of our manufacturing units.... I'm not satisfied with the format they're currently in."

(Marketing Director³, p.10, no.71/72).

There were a number of problems specifically relating to the computer based information systems:

- a) There was a fundamental dissatisfaction with the computer software in use in the administration department:

"It's with software that we have problems, because everybody speaks a different language. The software people know computers and the export people know export. We are the customers and we are trying to find out, to get the technology to do something - reports, schedules - various things to save on labour. We have this on-going battle

every time we try and get somebody to write some software for us; they say one thing and we say something and they think it is totally different and then when it turns out, they say 'I told you that'. They don't seem to understand the same language."

(Administration Manager³, p.8, no.53).

- b) There was also a lack of confidence in the hardware itself, with a lack of memory space and the inability to use all the facilities simultaneously being cited as two major problems:

"We certainly have a lack of memory space. We have one master and two slaves downstairs, and you can't use all three for a start. So if you're using the master you can use one slave, if you use the master and printer you can use one slave. You can't use all three on some functions - some functions you can, you can't on others."

(Deputy Administration Manager³, p.7, no.66/9)

Company 3 possessed a sales-oriented culture that emphasised action rather than reflective planning. The result was that information and communication problems had not been given serious attention: the formal systems for information dissemination were almost non-existent and the computer facilities that had been purchased were considered inadequate to meet the demands of the business. To some extent the youth of the company, ambitious profit targets and a lack of resources were also contributory factors. But it was the cultural emphasis on sales and marketing rather than the mechanisms for servicing the sales function which largely dictated the distribution of scarce resources. This cultural proclivity was itself reflective of the company's fundamental mission, i.e. to profitably market and sell Group products outside of the two domestic markets of the U.K. and the Netherlands.

7.3.2 Information Culture Type

Company 3 possessed a mixed 'oral/written' culture. Employees within the finance/administration department expressed a strong preference for receiving and transmitting information in written form, while the sales and marketing personnel were oral communicators. This duality reflected differences in the nature of the roles performed by individuals in each department. Thus while the salesmen spent much of their time selling, an activity demanding considerable (face-to-face and telephone) inter-personal communication, the finance/administration staff provided the support service, which necessarily implied a need (often a legal need) for written communication.

The personnel of finance/administration cited three principal reasons why written communication was preferred:

- a) It was easier to exercise the control function:

"Things in writing, once it's there on paper, you've got a means of control."
(Finance Director³, p.3, no.32).

- b) There was less opportunity for misunderstanding:

"If it is something complicated like an address or a recipe or anything else, I prefer to write it and invariably send a telex or fax with it even if it is only going to Company 1, because you try and dictate it....the following address over the telephone, it is difficult; also it tends to get misconstrued if it is verbal. If it is something very important you have got to get it right, and then I prefer to have it written."
(Administration Manager³, p.7, no.43).

- c) If there were problems with a communication then they personally were covered:

"A word of mouth [communication] can always be denied at some time later; a

written communication is always filed away and it's there in black and white."
(Deputy Administration Manager³, p.4, no.40/41).

In contrast respondents in sales and marketing cited the great advantage of oral communication as speed and some individuals, and one individual expressed a general dislike of paperwork:

"I think in terms of cutting down paper and saving time, certainly to be told initially by word of mouth."
(Export Area Manager³, p.7, no.69).

"I prefer word of mouth to make sure I get the information early enough, confirmed by the written information.... I guess the important thing in decision making is that you have as much information as possible as quickly as possible. Obviously oral information is a lot quicker to transmit than in written form. That's not to say that we don't appreciate the need for confirmation in written information; but I think it has to be a confirmation rather than the prime content, if you like, for a specific piece of information.... I would find it impossible I think to work in an organisation which relied heavily on written communication."
(Marketing Director³, no.34/35).

It should be noted that these are broad cultural generalisations and disguise much important detail. For instance, administrators resorted to oral communication where time was pressing or simple instructions were to be issued to juniors:

"I obviously prefer to receive written [information] because you can verify it in its relevant slot, and that reminds you that you have got to do something about it; but if it means because it is written it is delayed, then I would prefer word of mouth."
(Administration Manager³, p.6, no.38).

Conversely, salesmen liked to receive written confirmation of much information they sent/received, and made generous use of the telex and fax facilities - for example, to confirm orders with foreign clients:

"I prefer to transmit information externally by telex, internally initially by word of mouth.... Telex because it gives me a reminder of what I've said and can also be legally binding; orally in-house because it's the quickest, most efficient method of passing information."

(Export Area Manager³, p.8, no62/63).

This apparent cultural dichotomy between the finance/administration and sales/marketing departments is of the first importance. It suggests that the broad characterisation of companies 1 and 2 as 'oral information cultures' disguises as much as it discloses. The possibility must be considered that information culture types should be distinguished at the departmental rather than the company level. While the probability that this can be done seems intuitively to be extremely high, the focus of this thesis is on corporate or organisational culture rather than group or departmental culture, and these leads will not be followed up here, though some further points are made in Chapter 13.

7.3.3 Ad Hoc Communications

The culture of Company 3 favoured informal, ad hoc and face-to-face communication:

"If the question is: how much of your internal information goes through a formal M.I.S. and how much goes through an informal one, then I think that's really the crux. I would say that the vast majority goes through an informal [system].... What is really happening on a day-to-day basis is a very informal communication system. Therefore, if someone wants to pass on some information, they don't have to go through 3 people to see you. I mean

they basically come in and start giving you the information. You know, working with sort of 22 people in total and being so close to each other, it's so easy, and it's encouraged. I don't think we suffer from a lack of information between departments within Company 3."

(Marketing Director³, p.14/15, no.12/18).

"Because we have got a relatively small operation here - we've got 22 people - communications are not that difficult and information tends to pass quite quickly. If it's wrong somebody knows quite quickly."

(Managing Director³, p.6, no.33).

The problems associated with this communication were many and various:

a) much ad hoc communication tended to be late:

"Certain things always seem to arrive late. I always seem to be chasing certain bits of information. My favourite one, which, because a large part of our expenditure tends to relate to individuals travel expenses, particularly overseas, where bills are very slow coming through the system, through charge cards, whathaveyou, an important part of controlling expenditure on a cost basis for us is getting individuals expense returns returned promptly after each accounting period. And that for me is a major problem because we have several individuals on the sales side who are really the world's worst at putting these things in on time."

(Finance Director³, p.2, no.20).

b) due to the lack of systematisation and formalisation of information systems individuals were often uncertain who needed to know what, and consequently managers were prone to complain of others failure to appreciate their information needs:

Q: "In general do the people who feed you with information understand what you need to know?"

A: "No they don't. We rely on marketing a lot because they sell the products and get the orders for it then, if it is a new product, packaging has got to decide and go into our case studies. There is a lot of time lost between anything being finalised and the administration department starting to do the work." (Administration Manager³, p.9, no.56/57).

"My perception of that would be that communication could be improved, that it's perhaps satisfactory but no better than that. As I see it, certain individuals anyway are inclined not to communicate well with their superiors, and that can lead to loss of information, to wrong decisions being made, various problems.... I think that a failure to see what's relevant is certainly the problem on the administration side." (Finance Director³, p.7/8, no.79/82).

"I don't think the salesmen really understand what we need to know."

Q: "Is that a major problem?"

A: "Yes, I think so." (Deputy Administration Manager³, p.8, no.83/84).

c) One particular problem faced by the administration department was the receipt of insufficiently detailed information from the salesmen:

"When normally we set up a customer onto our records, I have to get all the information I can possibly get; who his bankers are. And that's a good instance where we have a form where the salesmen just fill the form in. They see the customer, they get the detail from the customer, and invariably there's no banking details. So I go back to the area manager who'll go back to the customer and eventually it will come through. But if it was there on the form for a start...."

(Deputy Administration Manager³, p.3, no.27)

It is worthy of note that almost all the perceived communications problems were considered to be between rather than within departments, and reflected patterns of tension and conflict within the organisation:

"I feel that the finance/administration communication to the marketing department is good, excellent even, in that I feel that we give them all the information they need. If there was information which they currently don't receive which they do need then I feel that they should be saying so and it could be supplied. Whereas looking at it the other way around, as I think I have perhaps intimated, that I don't necessarily get all the information from the marketing area that I could. They are basically loathe to give me or my area much in the way of information without us first asking for it, and even then we virtually have to drag it out of them at times."

(Finance Director³, p.8, no.85).

Q: "Is administration not always facilitating the flow of information, but actually impeding it?"

A: "Yes, it has been a bad problem in a couple of instances. There was a situation where we were supplying Aruba. We needed some product on a certain day, I asked one of the controllers to check the product would be available, they came back and said 'no, it wouldn't be available' - it would be available the Monday after. I then checked with Company 4 myself, and said 'why can't it be available on Thursday?' They said 'it can, but it was asked for on the Monday'.... As it turned out because I intervened they were able to give me the product slightly quicker." (Export Area Manager³, p.1, no.8).

As with the other Group subsidiaries the cultural mores of Company 3 conditioned a working environment that relied heavily on informal patterns of communication. Predictably this meant that while communication could be extremely quick and easy to achieve there was often considerable doubt as to its quality. Yet so strong was the cultural basis for a non-systematised and informal communication system within the organisation that despite recognising these problems there was little enthusiasm for increased formalisation. Rather, the cultural consensus was that attempts should be made by individuals to work the existing system more competently.

The existence of only a minimal formal M.I.S. was undoubtedly one of the factors that made a well-developed informal communication system necessary, and this might tempt some to suggest that structural factors are at least as important as cultural variables in explaining the nature of Company 3's information/communication dimension. Such an explanation would, however, be naive. While organisational structure obviously played a significant role, it was within the context of the beliefs, values and attitudes of the management team. This does not mean that culture was the dominant and determining variable shaping organisational structure, communication systems and so forth. Indeed, it is a contention of this thesis that culture and other aspects of organisations are inter-causally related and develop conjointly through a continuous process of dialectical interaction. All that is argued for here is that by concentrating on the cultural fabric of organisations the relationships between information and communication phenomena and other facets of organisational life can be interestingly and rewardingly examined.

7.3.4 Informal Communication

There was a grapevine in operation at Company 3 that pervaded the whole organisation, though much of the gossip and speculation that arose within the administration and sales/marketing departments tended to be confined to these areas. Interestingly, a large number of managers regarded it as a useful source of information:

"I find out things through the grapevine."
(Administration Manager³, p.10, no.67).

However, only the marketing manager admitted to looking on it as a management tool that could be manipulated for personal/departmental advantage:

Q: "Have you ever made use of the grapevine?"

A: "It's another source of information."

Q: "You take a manipulative attitude towards grapevine communication?"

A: "That's right, yes." (Marketing Director³, p.19, no.62).

There was evidence that as with Company 2 there was no clear distinction between day-to-day management information and individuals interpretive and speculative information. The relaxed and casual atmosphere, the informal style of operation and the democratic and participative ethos made this almost inevitable. To some extent the problems associated with communication within the organisation, especially the misunderstandings, uncertainties and lack of detail were a consequence of these cultural traits.

7.3.5 Information Consciousness

Although the company was essentially sales/marketing-led, with the three area managers securing orders for goods which the finance/administration department then serviced, the organisation was not appreciably more 'information conscious' than any other subsidiary. A great deal of information was collected concerning the external environment, some of which had to be paid for, and some problems were specifically recognised to have a large information component. Nevertheless, the cultural sympathies of the company centred on the concept and actuality of marketing/selling, rather than information and communication as facilitators of this ultimate objective. As the finance director asserted:

Q: "Would you say that Company 3 as a whole was 'information conscious'?"

A: "No."

Q: "In what way does this lack of 'information consciousness' manifest itself?"

A: "Perhaps it's just my perception. My perception of the situation is that a lot of the financial information that is generated here is perhaps not necessarily reviewed in the sort of detail it might be, because the lack of questions that come back often suggests that the people receiving it perhaps haven't studied it as carefully as they might.... My impression from the lack of questions or sometimes from the nature of questions asked suggests that amongst the marketing-related fraternity they're

not that conscious of the role that information is playing or needs to play." (Finance Director³, p.14, no.68-70).

7.3.6 Dependency on Group Information

Company 3 was unique within the Group in terms of its dependency on information supplied by the manufacturing subsidiaries. The marketing/sales department required a considerable amount of information from the subsidiaries concerning new products and product costings. The administration section was mostly concerned with production dates and the transportation of goods, and were in frequent communication with the production and warehouse/despatch departments in the subsidiaries. The company's relationship with each of the manufacturing subsidiaries was highly variable; the highest quality communication was with Company 1, and the worst was with Company 5. However, while Company 3 had the closest communication relationship with Company 1 there were still problems. For example, of the three manufacturing units in Company 1 only one of these was considered particularly reliable:

"I am inclined to trust things coming from the L.A.N^x,... team, rather than the other teams [at Company 1] because experience has taught us that what they say they will do."

(Administration Manager³, p.2, no.13).

Similarly, while the administration department of Company 3 had a major input into the finished goods system of Company 1, there were still frequent information problems:

"We've got a big input into the finished goods systems at Company 1. We book containers and trailers to go out on the strength of the information supplied by that system which is obviously only as good as the information put in. It's updated on an on-going basis, but we still try to move things which aren't there... somebody in the factory keyed an extra nought in or got the wrong line number or something, so we've got to

verify that by physically going and having a look at it."

(Administration Manager³, p.2, no.16).

The marketing and sales department faced a rather different set of information problems:

- a) Communication with the subsidiaries, especially regarding complex issues such as the development of a new product, was excessively slow and time-consuming:

"I think one of the biggest problems we face is we have a system of P.I.F.'s (Product Information Forms). When we are looking at a new product, or a product for a new market, we put out at a form which gives the basic specifications of the product, i.e. we want a 3 kilo box of [product] with natural colours and flavours for Greece. That then goes to our own packaging department who cost out the packaging element (which is here at Company 3), because we're responsible for all our own packaging. It then goes to the factory, Company 1, for a product costing, which is a recipe cost. That will take into effect the influence of natural colours and flavours as opposed to standard; also the production cost and the packaging labour cost. That will then come back to us for agreement. If we agree we will then go to our costing department, who raise a line and pack, which is a unique product number, and then when that product number is ordered will automatically give the specification. And from then, any additional packaging, once we've agreed that we have an order in, and packaging will be ordered. If we know it's [a] firm order in advance then we can preempt that order and order the packaging before hand. Obviously the biggest problem is the length of time it takes to do this. If it goes to [name] and he's busy and it sits on his desk for a week or two, then it goes to the factory and gets lost, or somebody sits on it again, then we can have a lead

time for ordering the packaging. It can be anything up to 6 months [between] concept and getting an order out.... I think the major factor again is with the factory. there is not the same element of urgency with the factory, especially when it's something non-standard."

(Export Area Manager³, p.4, no.21/22).

- b) The subsidiaries were considered reluctant to reveal detailed information concerning the costs of producing a product, making optimal product specification by Company 3 very difficult:

"Again, if we go back to the question of costing most of it now is insufficiently detailed because certainly in terms of Company 2, Company 4, we will simply get a cost per tonne, they won't break that down. Now it would be quite useful. Sometimes we have an idea of what product we want and in what packaging specification we want it. It would be very useful at times if the manufacturing units came back and said 'well hang on a minute, if you do it this way you could probably save yourself £50-£100 a tonne'. Whereas you're not always aware what is the easiest way for the factory."

(Export Area Manager³, p.6, no.43).

- c) Poor estimates of costs from the subsidiaries were also a problem:

"A lot of the information we work on is based on input from manufacturing plants, specifically costs. If we've been given a true reflection by the manufacturing unit then our cost guides know where they stand; they feel they can work out fairly accurately what our own incurred costs are, we really know where we stand. What happens if we get a poor costing from outside, this can obviously be magnified right through."

(Export Area Manager³, p.2, no.11).

Many of these problems were caused as a result of Company 3's lack of knowledge or expertise in the field of production, and was thus a local cultural difficulty. But poor relations with some subsidiaries, and undeveloped and unreliable information systems linking company 3 to the rest of the Group were also significant factors. Moreover, because Company 3 relied heavily on the other subsidiaries for its information whatever problems they faced in devising product costings, producing and transporting the goods, etc. were in turn problems experienced by Company 3. Thus the export division more than any other Group company was a victim of the Group culture and its associated information and communication dimension.

CHAPTER EIGHT

SUBSIDIARY 4

8.1 Introduction

The Company was an old, family business claiming a history dating back to 1817, that had been built up by its three owner directors until they sold out to the Group. On 28th November, 1984 the Group completed the acquisition of the whole of the issued share capital of Company 4. The company employed approximately 150 people, and had three principal activities: 1) it manufactured its own range of gums, pastilles and lozenges which it sold primarily to the chemist trade; 2) it manufactured for third parties under pharmaceutical licence some well known medicated and semi-medicated products; and 3) it used its sales force to distribute the products of third parties to the chemist trade. While the Group was seeking to divest itself of companies in Sweden and France the extent of perceived synergy between the Group and Company 4 made it an attractive commercial proposition. Specifically, Company 4 brought to the Group special skills in the manufacture of medicated and semi-medicated products, it distributed to chemists and specialist health shops, and it possessed the special skills and techniques required for the manufacture and distribution of products on behalf of third parties.

It should be noted that in some respects Company 4 differed substantially from the other manufacturing subsidiaries in the Group's portfolio. The essential distinguishing feature of the company was that it manufactured medicated confectionery products which were classed as medicines and therefore needed to be licensed by the D.H.S.S.. In order to obtain the licenses to make these products the company had to fulfil certain legal requirements: it had to possess the necessary facilities and it had to employ qualified personnel in the key technical positions. The need to obtain product licenses for many products was significant as the manufacturer's license for these

products specified what the product was in terms of its active ingredients, manufacturing process and shelf-life, and this in turn implied a huge overhead information cost to the company which it was only just beginning to tackle.

Until recently the company had suffered from massive under-investment in all areas of the business ranging from its stock of manufacturing and packing equipment to information systems, its marketing strategy and sales and distribution network. This state of affairs had arisen because the previous owners of the company had had little interest in investing heavily, with their own money, in a concern which was already providing an 'adequate' return. The Group, however, had purchased Company 4 realising that if it was to play a major role in its long term strategy then considerable investment had to be undertaken. Within the first three years investment was made in new packing equipment, product development and product assurance, and a new finished goods and raw materials warehouse was completed. In addition, by early 1988 the old senior management team had been completely replaced, and while data collection was conducted a new Management Information System was being installed.

The company was headed by just three directors: a managing director, a works/production director and a technical director. While the works director had his counterparts in companies 1 and 2 the technical director, who had responsibility for the laboratory, quality control, product development and licenses, was unique within the Group. The sales function was headed by a national sales and distribution manager and the finance function by a commercial manager. These five individuals constituted the senior management team of the company.

The culture of Company 4 had largely been formed under the old management troika who in the 1950's had taken over from the descendants of the family who had initiated the business. This management team had been more interested in securing a good living from the company than planning and investing for the long term future of the company itself. These attitudes had a profound influence on

the culture and general development of the organisation which became extremely conservative, narrowly focused and unprofessional in terms of its beliefs and outlook. The Group's new senior management team described the old company culture as being 'dowdy', 'unimaginative', 'gone-to-sleep', which was 'very staid in its ways' and possessed 'almost an antiquated approach to life generally, and very old fashioned'. The new managing director summed up these points:

"Company 4 has been in existence for 171 years, and it has been in Crediton all that time. It started as a family business, and it was run by the family for many years, certainly well into the 1950's, and it has always had a very localised sort of image of itself as well. The family didn't ever want it to do more than pay a reasonably good living for the family. The result really was that it became very parochial in its whole view; what it was about, what the options were, what the opportunities were, and when the Group bought it four years ago the directors here then were all long established people in the business all due to retire in the not too distant future, and they were making, one has to say, quite a good profit from the business relative to what they were doing. They could have made more money, but they were actually making sufficient in their view if you like.... The trouble was that the business was largely starved of reinvestment.... I think one of the important factors was that they knew they didn't have very long to go, and I think they were more or less saying to themselves, 'well, there's not much point in spending on the business, we're not going to be here, somebody else will buy the business in due course and they will do all the investment etc.' So what we took over, really, was an incredibly old-fashioned business."

(Managing Director⁴, T1.S1. 6-36).

Given that the Group had only purchased the company in 1984 and that the current managing director had only assumed responsibility for the

company sixteen months previously, the culture which had evolved over so many decades was still very much in evidence, and played a crucial role in the functioning of the organisation. This said, the company was undergoing a rapid metamorphosis, as a more competent and professional managerial team sought, with financial resources from the Group, to remould the corporate structure and ethos. In short, during the time this study was conducted Company 4, perhaps more than any other subsidiary, was a company in transition:

"It's changing so rapidly from one type of organisation to another. It's completely changing.... It's trying very hard - or the new management team are trying very hard."

(Production Manager⁴, p.3, no.12).

The difficulties of engineering the cultural transformation facing the senior management team cannot be easily over-stated. The historical development of a low expectation, low esteem, unprofessional culture over a period of decades had left its mark:

"...it [the company] has a unique image within the community which is not good.... This place seemed to attract people that were out and out drop-outs, ex-cons, ex-alcoholics, some of them not ex, suffering from the 'falling down' syndrome. And everybody treated it with contempt.... It was treated in the main as the last post; if you couldn't do anything anywhere else go to Company 4. And if you worked at Company 4 people then viewed you with suspicion."

(Chief Engineer⁴, p.4, no.17).

Combined with the internal problem of evolving a more satisfactory corporate ethos was the company's perceived vulnerability to changes in its external environment. The lack of influence enjoyed by the organisation over demand for its products, its suppliers and customers obviously did nothing to increase company confidence levels in the short term:

Q: "To what extent do you think the external environment in which the company exists is a predictable one?"

A: "It is a rocky sea, and we're not a ship we're a rowing boat, we're a rowing boat with one oar. We won't continue to be that way but that's how we are at the moment, and it's bloody choppy out there. When we regain our second oar that's going to give us a bit more stability, and I think once we get a little out-board motor we'll be away, and I think all these things are beginning to happen. But at this stage we're still getting the processes right. We're still trying to get the stroke right, and when the stroke is there, then we'll move on. But it's still getting the basics right." (Account Manager⁴, p.4, no.18).

Given these difficulties the managing director was making a conscious effort to mobilise the company by running a 'hearts and minds' campaign. This involved providing the workforce with more information concerning the direction of the company, and giving middle and junior managers a greater opportunity to make their ideas known to seniors. This attempt to instil in employees a better developed sense of responsibility for their work and a less introspective and more confident outlook concerning the business was especially difficult in Company 4 as a result of the management style of the previous owners who had been keen to maintain a certain distance between themselves and their employees. Levels of commitment to the organisation among more junior managers and shopfloor operatives were not, therefore, as high as in other Group subsidiaries:

"We recently did a presentation to the whole of the workforce; just 3 weeks ago we closed down the place for half a day, took everybody into Exeter to a proper presentation forum and sat the whole lot down, 150 people, and did a two hour presentation to them on exactly what we're doing with the business and what we see the future of the business as being, and how they themselves hopefully will have a greater interest in the business as a result. I have to say it was incredibly successful, the response we've had since then has been remarkable. I mean we've had people who've been here 40 years saying 'well it's the first time I ever knew this', and that's all been another indication of the way it was operated previously,

which was very much management being us
and workforce being them."

(Managing Director⁴, T1.S1. 168-183).

There was also evidence of the same strategy being used by the managing director in an effort to exert more control over the company's environment:

"...very recently we got all our suppliers together and we did a presentation to our suppliers and we said this is what we're doing at Company 4, this is what our objectives are, this is where we are at, this is where we've got to go, these are the relationships we need to form with yourselves and these are the reasons we need to form them. And then we said 'we will be more demanding in terms of price and service and quality and had a general sort of discussion with them. I think we're putting more pressure on suppliers than they've ever experienced before - not destructive pressure."

(Managing Director⁴, T2. S2. 445-459).

Despite the problems facing the company there was considerable optimism amongst members of the senior management team that the culture of the organisation was altering rapidly to one more supportive of the economic objectives. The managing director was, for example, sufficiently self-assured to predict a doubling of turnover and profitability within four years. This confidence was derived less from the cultural fabric of Company 4 or the Group than from the past experience of the senior managers, all of whom had worked in larger and more complex organisations, and several of whom (including the managing director) had previously worked together at Allied Lyons. The financial backing of the Group and expert support of Company 3 were also extremely helpful in generating the enthusiasm and confidence needed to transform the company, and which had until recently been in short supply.

8.2 The Cultural Profile

8.2.1 Personnel Orientation

At the time data collection was conducted Company 4 had been a member of the Group for just four years, and had yet to adopt the characteristically benevolent attitude towards its employees typically associated with its subsidiaries. Given the history of the company it was perhaps unsurprising to find that less senior managers tended to regard their employers as less than caring:

Q: "Would you say there was a benevolent attitude to personnel here?"

A: "No." (Production Foreman, p.3, no.12).

However, more senior managers were aware of a change in the company's philosophy towards the employees:

Q: "Is there a benevolent attitude towards employees taken here?"

A: "An understanding I think is probably a better word; they understand the problems that the staff have had of late, and they are actively trying to do something about it. I think possibly 'understanding' is a better word than 'benevolent'." (Account Manager⁴, p.4, no.16).

In appointing the current managing director of Company 4 the Holdings Board had chosen a man in sympathy with the Group personnel orientation, and over time employees perception of this cultural trait can be expected to change:

"...we have deliberately set out to be benefactors if you like as much as we can, and we are definitely making lot of progress within the business which is to the benefit of the employees."
(Managing Director⁴, pT2.S2., 296-311).

8.2.2 Loyalty

There were a number of long serving people employed within Company 4 both in production and sales, and this translated into both a spirit of tradition and a certain amount of loyalty to the company:

"There is still that [spirit of tradition]; because of that there is loyalty to the company. We have some long serving people and overall that's good."

(Works Director⁴, p.11, no.77).

"I think there is a spirit of tradition that needs to be fostered.... Certainly there are a lot of traditional aspects here but they haven't been encouraged."

(National Sales & Distribution Manager⁴, p.3, no.14).

However, unlike in other companies within the Group what loyalty there was to the company was not manifested in the form of commitment to its success or pride in its products. There was a noticeable tendency for individuals below senior management grades not to feel involved with the company, a feeling linked to many individuals lack of concern with promotion or personal advancement:

"There's a tendency not to be involved, really to come in, to do a day's work, and then to go home again, as evidenced by the lack of response to the productivity bonus. I think that lack of involvement is a characteristic of the old [Company]. We're trying to change. We will build up a much better identity starting at the top, with the products being re-launched, going out into the community and then pulling the rest of the workforce with us. A very much more collaborative role culture."

(Works Director⁴, p.11, no.77).

"I can't think of anyone in the factory other than in my own department, but outside of my own department with the

exception of probably one person that would be interested in furthering his career."

(Chief Engineer⁴, p.4, no.21).

8.2.3 Lack of Professionalism

The executive directors and small senior management team had considerable experience of working in other companies and were introducing to the company increasingly professional methods of managing the business:

"We've got a lot of people from outside the area now who are bringing expertise from other companies... they're bringing different approaches in, and starting to change the attitudes of the people."

(Commercial Manager⁴, p.14, no.84).

But as traditionally the company had been operated by just three individuals who took all the important decisions for themselves there had been no perceived need to develop the professional skills and values of the vast majority of the staff. Consequently, the professional competence of many middle ranking and junior managers within the factory was extremely questionable:

"The problem in a nutshell is that we have no professional middle management at all. What's happened in the past is that the people that are in the middle management have been brought on by the old company's regime, and are just not capable of modern day management. No fault of their own, they are nice people, but that's where it ends, and they are not used to having to justify their actions; they will tell you anything to get you off their back. And then when it's not alright you get a shrug of the shoulders and..."

(Chief Engineer⁴, p.2, no.8)

Q: "What's your biggest frustration here?"

A: "...first, is the inability of the supervisors and shopfloor workers to take on board the changes so that the rate of change

is limited by the time available to actually push those changes through. We can't just say 'let's do so and so', it won't happen because they've no experience for it. To tell them what to do you've actually got to go through the details." (Works Director⁴, p.8, no.51).

Similarly, until comparatively recently the sales function had been operated with a marked lack of systematisation and professionalism; and this ethos was still evident in the abilities and attitudes of the salesforce:

"The situation which existed previously was one where 16 representatives reported in to the managing director; in basic terms there was no selling function, there was no national Accounts activity, no National Accounts contacts; it tended to be done by representatives just paying them an occasional call to some of these people."
(National Sales & Distribution Manager⁴, p.1, no.1).

8.2.4 Democracy and Autocracy

Company 4 had, in past, been run along extremely autocratic lines by its owner directors:

"Historically very autocratic, very patriarchal."
(Works Director⁴, p.11, no.77).

"...'you do as I say and that's the end of it, never mind about arguing about or asking questions about why you're doing some jobs'. There was a little of that going back to the private company - 'I'm the boss and you will do this'."
(Commercial Manager⁴, p.14, no.84).

The present senior management team were attempting to encourage more debate, questioning and participation by middle ranking and junior managers:

"I think you'll find when you talk to other people in the business, they've all got more information and involvement

than they've ever had previously and that allows them to understand more clearly what they are doing. I am a great believer in getting people together and talking to them about what your plans are, what your objectives are. We've taken the whole of the middle management and senior management off-site twice in the last 6 months for a day in a room to air their views and their opinions and their say... And we also took all the junior supervisors from the factory of-site for a day...." (Managing Director⁴, T1. S2. 179-189).

There were, however, definite limits to the policy of openness and democratisation. In part these restrictions were the necessary result of the culture, which was sadly lacking in professionalism; thus many individuals could not cope with excessive demands on their abilities and initiative. But the perceived need by senior managers to keep a firm grip on the reins of power also stemmed from a belief in the company's need for strong leadership to see it successfully through this period of transition:

"I think it will remain relatively autocratic, that the whole show here needs leadership, and I can't see even in the medium term the building up of the majority of the workforce into a democratic situation. We're so far away from it, it's a quality of the people here compared with the North East, where I last worked where I had an incredible workforce, very much more competent, it was very much the other extreme, where we had democracy... [people here don't have] the skills and attitudes." (Works Director⁴, p.11, no.77).

But even at the most senior level the situation was far from being entirely democratic, and the authority of the managing director was never in question:

"...at the senior management level it [decision making] is a mixture of the two [democracy and autocracy] deliberately. I'd be wrong to say...

whereas I am encouraging democratic approaches to decision taking, policy, etc. I am also deliberately lacing it with autocratic decisions to make sure that the democratic aspect doesn't get too democratic. Because one of the problems we have to bring in all these various changes in a definite period of time and I can't afford total democracy."

(Managing Director⁴, T2.S2. 323-341).

Those employees who had been members of the company for more than four years had been socialised into a strong autocratic culture. The present senior executive team was faced with a dilemma: whilst they recognised that by making the company more democratic, consensual and participative the workforce were likely to make better use of information resources and become more committed to the company's future success, there were perceived costs to be taken into account. In particular, greater discussion was thought to require time and effort on the part of already hard-pressed managers who had ambitious profit and turnover targets to achieve. Hence a full-blooded democratic ethos was, in the short term at least, regarded as a luxury that could be postponed.

8.2.5 Competition and Cooperation

The culture of Company 4 was extremely uncompetitive internally. On the one hand the management team considered that they should work for each other as members of one team:

"We work for each other, well, with each other."

(Production Control, Assistant Buyer⁴, p.1, no.5).

"We work very much as a team."

(Personal Assistant to M.D.⁴, p.1, no.5)

And on the other, junior managers and shopfloor operatives were too relaxed and casual in their approach to work tasks to enter into competition with each other. This was amply demonstrated by the failure of all attempts to introduce competition into the production department:

Q: "Is competition between departments encouraged here?"

A: "We have tried it in the past, it's never been terribly successful.... It's never really caught on."

Q: "How about competition between individuals?"

A: "Not that I'm aware of. We have certainly areas where it could apply."

Q: "Competition is not a major feature of the working environment here?"

A: "No." (Production Manager⁴, p.3, no.9).

Interestingly, the works director did have plans to make competition a more salient feature of the production environment by making the size of pay increases merit-dependent, though the effects of this policy were yet to be felt. The one area where there was some trace of competitive spirit was the sales department, where salesmen were increasingly being encouraged to out-perform their peers:

"...what we're trying to do is stimulate competition by way of recording information, publishing that information, drawing more attention to it and if you like putting a little arrow in there with a barb saying 'come on Fred you're not going to let Bill beat you at this' - or whatever."
(National Sales & Distribution Manager⁴, p.3, no.12).

The uncompetitive nature of the company had obviously been a cultural trait for many years, while the current stress on inter-departmental cooperation and middle management involvement was quite a recent innovation. Given the managing director's appraisal of the dangers of internal competition it seemed likely that it would not feature

particularly strongly in the foreseeable future, and that an essentially cooperative culture would develop:

"I don't encourage actual competition. I think that can be very negative. What we try to encourage is involvement in the whole, and the competition if you like is Company 4 versus the rest of the trade, the outside environment. But inter-department rivalry is very little."

(Managing Director⁴, T2.S2. 487-535).

8.2.6 Conflict and Confidence

Trust and confidence levels were generally high among senior managers, and deteriorated further down the hierarchy of management:

"I suppose we've got some fairly honest people here, you know."

(Commercial Manager⁴, p.7, no.4).

"I think between directors and senior managers there is great trust and confidence in what we're doing with the business."

(Works Director⁴, p.11, no.77).

"It's [trust and confidence] higher at the top and sort of filters down to a medium level."

(Managing Director⁴, T2.S2. 315-317).

Consequently, while there was some political and conflictual activity cultural mores meant that it was generally limited in scope:

"We're a very friendly company basically, there's not a lot of in-fighting going on."

(Personal Assistant to M.D.⁴, p.1, no.6).

"I don't think it's sophisticated enough to be political to be quite truthful. I have been in business where it was purely the politics of it; you know, you had to be seen to be doing the right thing even though in truth it was the wrong thing to do."

(National Sales & Distribution Manager⁴,
p.3, no.13).

The major conflict area was between production and quality control. Both the production and the technical directors recognised that the quality of the company's products had to be improved, but disagreed on how rigorously quality standards should be applied, at least in the short term:

"The technical department, which includes quality control.... There the problems are I think...[derived from]... the cooperation between the two departments [which] is in need of some improvement. There is some divergence over attitude. It's all part of the upgrade in standards. Certainly the approach to quality standards needed to be improved, but the danger is we apply too rigid a standard to our products when our processes are not necessarily able to meet those standards. The difference in attitude, a point of negotiation, is in finding the right level of approach to standards; and we have a technical director who comes from an ethical pharmaceutical background where the highest pharmaceutical standards will apply; and we're essentially dealing with medicated confectionery made by a process which is inherently imperfect; you can't make 100% perfect pastilles, from the appearance point of view at least there are going to be some defectives. There has tended to be some conflict over what is acceptable.... I think what we have to bear in mind here is that there is a cost penalty in improving standards too far too quickly."

(Works Director⁴, p.6, no.37).

There were also signs of tension between production and sales:

"...this is a personal view, sales go out and sell products which are very difficult to go and manufacture. Normally they sell them to large customers. It causes a lot of hassle. I'm thinking of one particular product

where our sales people went out and came back having secured a contract for supplying Superdrug with [-] which is a product which we're having great difficulty manufacturing. There are process problems with it. To sell a product really before you know how to manufacture it properly is really not on in my book...."

(Production Manager⁴, p.2/3, no.8).

The greatest problems of trust and confidence were evident in the relationship between the senior managers and the shopfloor operatives and their union representatives. This manifested itself in the form of an 'us-and-them' confrontational spirit that had its origins in the distant history of the company but was still very much alive. There was also a perception on the part of some senior managers that the three directors formed a closed group which was largely impervious to their criticism:

"I think there is a great deal of 'us-and-them'. I think them being the directors, the top three, and everyone else are *****."

(Chief Engineer⁴, p.4, no.19).

"[Amongst the workforce] certainly there is a suspicion about any changes we introduce. I think historically within Company 4 it's been a typical 'us-and-them' situation, management and workforce, and it's proving a fairly slow process to try and change that. But once changes are properly explained, people are trained in the new systems, new documents, they are accepting them reasonably well."

(Works Director⁴, p.1, no.6).

8.2.7 Narrowness and Introspection

The company had been extremely narrow and introspective both in its approach to the outside world through marketing and sales and internally, with separate departments being encouraged to operate independently rather than cooperatively. More than in any other

respect the company had been narrowly focused in terms of its plans for future growth and expansion, which were little short of alien concepts in the management culture of the past:

"Company 4 has been a company with, perhaps to use the expression 'limited horizons' is not the right expression, but perhaps ' a limited outlook' in the expansion projection for the company. Of course all this has changed just recently."

(Account Manager⁴, p.1, no.2).

By the time data collection for this study was conducted the narrowness and introspection of the past was evident only below the level of senior management. It was, though, problematic in that it was yet another cultural trait that was slowing the pace with which economic objectives could be achieved.

8.2.8 Marketing-led and Production Constrained

In the sixteen months since the current managing director had assumed his role Company 4 had become increasingly marketing-oriented; the marketing agency it employed had been instructed to develop a more modern marketing strategy for the company and many of its products had been repackaged. As the managing director asserted:

"[The company is] certainly marketing-led at this moment and since I've been here. It's had to be because that's really the criteria in the business was to put it into a much more meaningful marketing role. We will continue that role, that philosophy, and the investment that is being put into production will have to be versatile and flexible to a degree to meet the marketing requirements of the business."

(Managing Director⁴, p.T2.S2. 680-694).

While the constraints placed upon the extent to which the M.D.'s marketing philosophy should not be under-estimated - much of the equipment at Company 4 was old and lacked versatility, many

individuals other than the senior managers were averse to change, and the company lacked any trained marketing personnel - this comment is culturally significant. It indicated that, as with other Group manufacturing subsidiaries, Company 4 was likely to pursue a marketing-led path towards organisational growth and maturation.

8.2.9 Pace of Activity

The culture of Company 4 supported a slow and conservative pace of work activity that several respondents linked to the prevailing regional culture:

"I suppose there is a certain laid-back approach generally, I suppose it's the area, certainly the area is very laid-back. So there is a certain attitude that filters through from Devon people that might be said to be found here."
(Commercial Manager⁴, p.14, no.84).

"On the most basic level of allowing problems to create delays; at another level they only have to produce, because of a machine breakdown or a delay, availability of material, they happen to produce 3 batches in a day instead of 5 batches. This is an example of what can happen. They'd rather have an easier day than contribute far more money to the total Group."
(Works Director⁴, p.7, no.43).

Interestingly, it was thought that the pace of work activity had increased over the past few years, especially since the Group's takeover of the company and the influx of new senior personnel

"I think it's gaining momentum in terms of being more conscious of an urgency to get things done."
(National Sales & Distribution Manager⁴, p.3, no.16).

"...people are keen to see the company go forward, we just need to move into another gear."

(Account Manager⁴, p.4, no.14).

"[Things] were more relaxed, they are not as relaxed now."

(Production Manager⁴, p.3, no.13).

But the fact remained that it was only really personnel in the most senior positions who were keen to work hard, to work long hours and to force through change within the company.

8.3 Information/Communication Profile

8.3.1 The M.I.S.: evolution and description

The M.I.S. in place at Company 4 had evolved over a lengthy period of time, with a major re-structuring having occurred four years ago when the Company was taken over by the Group. Since that time and especially during the sixteen months before this study was conducted the formal information systems had been constantly revised, and were in fact still in a state of flux. Major alterations and additions to the M.I.S. were predicted once the proposed new computer facilities were fully installed and operational. However, at the time data collection took place (Summer, 1988) the company's formal M.I.S. was still rather underdeveloped. One major problem was the lack of formal meetings held between senior managers:

"...at the moment we're not having the number of regular meetings that we need to have, and that's because of all the demands of all the various things - putting new equipment in... changes in marketing and distribution and such. We've had to make ourselves get around the table and talk about general items."

(Managing Director⁴, T2.S2. 682-720).

The company held Board Meetings every two months attended by all three of the executive directors and a Holdings Board team. In addition to

these the managing director held review meetings twice a year with his senior management team. There was also a new product development meeting held monthly, for which a report was produced by the technical director, and at which most of the senior management attended. Aside from these scheduled meetings there were a far greater number of ad hoc meetings of sections of the senior management team as required. The technical director, production director, national sales and distribution manager and commercial manager all produced period end reports on a monthly basis which were circulated among the senior management team, and fuelled the formal meetings.

Within the technical director's department the only formal scheduled meetings were fortnightly training meetings; no formal scheduled documents were produced solely for internal consumption on a regular basis, though a large number were produced ad hoc. Within the production department weekly and monthly meetings were held between the works director and his senior production team. In addition, a daily labour efficiency report was compiled, and these were collated into weekly and monthly summary reports. The sales department held three meetings a year for the senior managers, including territory managers. These were supported by a weekly newsletter. All other reports were produced ad hoc rather than to an agreed schedule. A very basic sales/production forecast document was also produced in conjunction with the production department. Within the finance department the commercial manager produced period accounts and summaries for internal consumption and for the Holdings Board. Other documents, such as forecasts of financial requirements, were produced as required.

8.3.1.1 Problems with the Formal M.I.S.

The formal information and communication systems in place at Company 4 represented a piecemeal rather than an integrated M.I.S., a fact recognised by senior managers:

"...it's an incomplete system at the moment. Reports from each department to

the M.D. and accounts coming down and then bits and pieces within each department, but [not] a complete set of information systems by any means. It's partly the historical set-up, it's also the first stage implementation of a new information system on an ad hoc basis; 'we must have such and such', and if it's of sufficient priority we'll get on and do it. Eventually it will dovetail into an overall system."

(Production Manager⁴, p.8, no.52).

To some large extent this was a result of past poor planning, something which seemed to be changing as new computer systems were being introduced:

"As you well know we are going through the throes of the introduction of a new computer system. Now at this point in time the computer system is being geared up to produce the information that I shall require; immediately at this moment the answer is 'no, I am not yet getting the information that I will require', but I am given to understand that it will only be a short number of weeks now before sufficient input-data is available that I can draw on which is vital to manage accounts.... There are a number of safeguards if you like, in that we have manual systems which I can draw information from together with and in parallel with the files that we've got. So I can if you like pull information manually which obviously takes a greater degree of time than it will in the future with the computer."

(Account Manager⁴, p.1, no.1)

Nevertheless, a number of problems with the formal information systems remained:

- a) information tended not to be well distributed throughout the company; if it was produced in one department it often remained unavailable to other sections:

"I don't think we yet do enough within Company 4 to circulate information that would help colleagues in other departments with their decision making."
(Works Director⁴, p.4, no.28).

- b) the little information that was transmitted from one department to another was thought to travel very slowly:

"Timing can be a problem. Here we've obviously got to provide information both to our own directors and to the Group, deadlines to meet.... I would have to say that sometimes our own information is a bit slow, generated from within our own departments. We don't need to get any information from sales, so that's not a problem. Occasionally we might be looking for some information from production, and that has been known to be a little bit behind schedule, for instance, payment of bonuses, we might have to chase for that information. If you're talking about wages of course then you've got to have the information on Tuesday or else it's too late, so there have been times when we've had to push for that type of information. (Commercial Manager⁴, p.1/2, no.4).

"It [information] usually has to be coaxed, especially with this new computer; we have got two or three periods behind, so I have had the contract customers asking me where their figures are."
(Personal Assistant/Secretary to M.D.⁴, p.1, no.1).

- c) as the formal information systems were so underdeveloped and much of what historical information there was was considered unreliable, so there was a lack of information in every sphere:

"We could benefit from more information, better quality information to help with decision making. I think that is a weakness within [the company] at the moment."
(Works Director⁴, p.12, no.79).

"I think the problem when I came in was that there was no basic information; in actual fact I have to go to October this year before there is any year over year comparisons I can make, because there were no records kept on a weekly turnover basis."
(National Sales & Distribution Manager⁴, p.1, no.2).

"[I produce financial forecasts].... Again, because of the lack of data, not as accurate as I would like because we haven't got the historical data to say last year it was X, we know why it was X and this year we know from that that it's going to be Y. We have to say it was X last year, we're not quite sure, so we'll put 5% on and make that.... Some of the work that we're doing now, for instance we've got temporary people there who are actually keying in all last year's invoices again to provide us with a little bit of background to work with our new systems." (Commercial Manager⁴, p.5, no.26).

d) There was a learning curve that was still to be mastered by some respondents before the computer systems could be used efficiently and effectively:

"Well I'm still learning how to use the computer programs that we've got; we don't know what is in that magic box until we actually start playing with it, and we're beginning now to play with it to get the right sort of reports out that we want, and so on."
(Account Manager⁴, p.1, no.4).

e) Not only were there occasional problems in locating historical information, but once it had been discovered there were often doubts concerning its accuracy:

Q: "Have you ever experienced a situation where you have failed to locate information required?"

A: "That would probably apply to technical information; background to vat sizes and formulae, yields at various stages, which I suspect have been calculated in the past but because the information's not readily identifiable. It's probably around somewhere in the files but... it's either searching for it and when we get it then being somewhat suspicious of it anyway, saying 'well we really ought to check this'. And so I think it's better to establish from basics information like that, technical information which can be checked." (Works Director⁴, p.2, no.10).

These problems were intimately linked to the history and culture of Company 4 which still suffered from a lack of professionalism in most functional areas. This meant that the information resources which were available to the organisation were not used as efficiently or as effectively as they might be. While levels of professionalism were rising among the ranks of the senior management through the importation of skilled and experienced staff more junior employees were far less sophisticated, making the satisfactory operation of the formal information systems difficult to achieve. There seemed to be particular problems in sales, though similar difficulties were also mentioned by the senior production team:

"I think the business, in terms of sophistication, is in it's infancy. You have to go back to what it was: flown by the seat of the pants, no professionalism in terms of its major accounts." (National Sales & Distribution Manager⁴, p.2, no.9).

"The salesforce direction in the past has been very limited, very limited insofar as the managing director controlled the salesforce in addition to every other function of the company. Now when you are directing a salesforce you need to have a specific line management system in order to get that salesforce to function efficiently and productively; that hasn't been the case in the past.... So the salesforce are not yet communicating sufficiently either in detail, time scale or any other way sufficient to the requirements of the on-going business." (Account Manager⁴, p.1, no.3).

It should also be recalled that Company 4 was a culture in transition, and that a variety of complications and confusions were being continuously created and diffused as changes in individuals responsibilities were instituted:

"There's been a lot of changes in roles and responsibilities, there are times when people think that they should be doing something and aren't supposed to be, perhaps it hasn't been explained to them properly. A lot of changes have taken place for instance with the managing director's secretary, and there are still things which she feels that she should be doing because she's always done it in the past, and there's no real necessity for it because we've now set up a different sales operation. So we've got to get it together a bit more before we can say 'yes, we've got an effective system'."

(Commercial Manager⁴, p.9, no.54).

In addition, while the culture of Company 4 was essentially cooperative, conflict between some of the departments and especially between the senior and middle/junior management teams further interfered with the smooth-running of the formal M.I.S.. Moreover, cultural mores did not dictate rigid adherence to the formal timetable of meetings (other than full board meetings) which were postponed and re-scheduled at the whim of the senior executives. The skeletal and piece-meal M.I.S. in place in Company 4 thus reflected the historical and cultural milieu exemplified by the organisation.

8.3.2 Information Culture Type

The communication culture of Company 4 was neither oral nor written, rather it illustrated a mixture of both characteristics. This was indicative of the company's poor formal information systems, lack of professional values and casualness on the one hand and the demands made upon it by virtue of its role as a manufacturer of medicines on the other. The former tended to promote oral communication, while the latter provided a motivation to transmit information in written form.

Many individuals associated oral communication with misunderstanding and a dangerous lack of documentary evidence that could reflect badly on them, and it was fear of reprisal in many instances which seemed to have transmuted employees oral inclinations into into an insistence on written communication.

Respondents working in the sales and production departments were noticeably happier to receive and transmit information in oral form:

Q: How do you prefer to transmit information, by word of mouth, in written form, or do you have no preference between the two?"

A: "Well I suppose I spend a lot of time on the telephone internally, that tends to be a lot quicker; if I send a memo then it will be waiting 4 or 5 days time." (Production Control⁴, p.1, no.2).

Q: How do you prefer to transmit information, by word of mouth, in written form, or do you have no preference between the two?"

A: "I prefer transmitting by word of mouth.... I find this in relation to the supervisors; you can make sure that they absolutely understand what you mean, you can go through it several times with them, if they don't understand." (Production Manager⁴, p.1, no.3).

Q: "Do you have a preference for information to be passed to you in written form, by word of mouth, or do you have no preference between the two?"

A: "I think if you want a spontaneous response to a situation then it's got to be by word of mouth, and ideally recorded in writing afterwards." (National Sales & Distribution Manager⁴, p.1, no.4).

Conversely, those individuals employed in the technical, finance and administration departments expressed strong preferences for receiving and transmitting written information:

Q: "Do you have a preference for information to be passed to you by word of mouth, in written form, or do you have no preference between the two?"

A: "I prefer it to be written. I have so many diverse responsibilities. Somebody ringing up and saying 'can you remember to do a credit note for X company' is not good enough for me. I need to have specific authorisation for that type of thing. A lot of it relates to what the auditors might ask for

instance, verification of them. So I prefer things in writing."
(Commercial Manager⁴, p.2, no.9).

Q: "Do you prefer information to be passed to you by word of mouth, in written form, or do you have no preference between the two?"

A: "It must be in writing.... Because there is a set of guidelines which are published by the W.H.O. and of course is adopted by the U.K. and U.S. and everyone else in making medicines, and that says that technical information must be documented in writing."
(Technical Director⁴, p.2, no.9).

Q: "Do you have a preference for information to be passed to you by word of mouth, in written form, or do you have no preference between the two?"

A: "Written form... then you've always got something to back you up. Verbally [orally] it can be open to misunderstanding." (Personal Assistant/Secretary to M.D.⁴, p.1, no.2).

Even within those departments highly reliant on oral information there was a perceived need to have important information in written form as a back-up to memory or in case something went wrong or was not done:

"Well I prefer it [information received] in writing, because then you have a record of that you've been told."
(Production Control, Assistant Buyer⁴, p.1, no.1).

"I like it written...because you can refer back to it, you can't refer back to a conversation."
(Production Foreman⁴, p.1, no.1).

"Well if you've written it down and taken a copy of it at least you can prove that it's been done."
(Chief Engineer⁴, p.2, no.5).

In short, no clear pattern emerged. The fact that distinct oral and written communication cultures could be discerned at the departmental level suggests that further studies in this field should focus more specifically on departments as well as whole companies. It also raises serious questions concerning the extent to which one can legitimately talk about 'corporate culture' as a meaningful concept

for the analysis of information and communication phenomena in organisations which are further discussed in Chapter 10.

8.3.3 Ad Hoc Communications

As the formal M.I.S. was so underdeveloped much information was communicated within the business on an ad hoc basis. As with the other Group subsidiaries this was much the preferred route for communication. There were a number of problems associated with this communication:

(a) Fear, hostility and distrust tended to inhibit information within production between union representatives, junior managers and shopfloor workers and their seniors, and between the junior salesmen and their managers:

Q: "Are you aware of any instance where fear, hostility or distrust have inhibited the flow of information within the company?"

A: "The only time that that happens is when they have a union disagreement [between the union and management]. That's when fear and distrust start, and that's when information is withheld. At any other time we're not a militant factory in any way whatsoever, and we normally get all the information we want; but in the odd case the shop stewards decide that they are not going to comply with whatever." (Production Foreman⁴, p.2, no.8).

"Possibly production people probably fear some reprisal, disciplinary action, would not tell us about problems." (Works Director⁴, p.7, no.43).

Q: "Are you aware of any instance where fear, hostility or distrust inhibited the flow of information?"

A: "The only answer I can give to that is probably with the salesforce, a little bit wary of the changes that are taking place.... Distrust is too strong a word, a little bit of 'hang-of a minute, what are these people doing to the company, is our job going to change in the future, are they looking at me from on high, are they weighing me up', which is not true anyway." (Account Manager⁴, p.3, no.10).

b) Many individuals were not used to dealing with the volume of information they were now being called upon to process and

communicate; consequently, many senior executives had to pursue information they desired themselves:

"[I] often have to chase information that I require. I think this is because the people providing it are not used to handling the volume of information and data, and themselves are having to do a fair amount of work to actually produce the data rather than it being in a readily available format."

(Works Director⁴, p.1, no.8).

- c) Much of the information that is passed upwards from junior and middle management to the senior team was lacking in detail. Often individuals were omitting important items of information in order not to compromise themselves:

Q: "Do you have insufficiently detailed information passed to you?"

A: "Yes, from the supervision side when you're getting feedback you don't always get the full information given to you.... They leave certain figures out occasionally when they haven't been able to achieve or haven't had the time to achieve a particular production target; when it reflects on them they don't give you all the information.... We have a programme where we expect them to produce 5 batches of pastilles a day. In one particular area of the factory occasionally this will drop to 4 batches for some reason or another. When you ask the reason for the reduction you don't always get the answer unless you go and investigate yourself, which has to be done in some instances." (Production Manager⁴, p.1, no.1).

"Quite often I will get a request to look at a particular machine or a particular process because such and such a thing is not happening. So I will then go over and say to the supervisor 'what happened in this particular situation?' And he would give me a reason for this particular situation arising. Now I would say on average that 8 times out of 10 the real specific reason does not come out on the first questioning, so it then has to be analysed to find out really what is happening and in analysing it I have to in the main either involve the production director and myself or one of my staff and myself to stay there and analyse the situation. That happens quite regularly. (Chief Engineer⁴, p.1, no.2).

- d) there was a problem with information being withheld as those who possessed it were unaware that others needed to be informed:

"Possible examples on the basic sort of level about information that's received and you think well, you don't actually appreciate yes it will be of benefit for so and so to know about that. It happens because of a slight lack of definition of roles and responsibilities. There are a few peculiar, historical boundaries... and those are sort of adjusted. You can get flow of information which crosses those boundaries and another person needs to know, and it just doesn't occur. I mean the information's received, and 'yes that's logical, and that's my information, I'm the one who needs to know about that'... you don't think another person needs to know because of the way it operated historically you've got to spread that information a bit wider than would be strictly necessary. (Works Director⁴, p.7, no.47).

"In general I would think that they [other managers] don't understand what I personally need to know. One tries to put this right as one goes along and explain the reasons for it, and to try and explain why."
(Commercial Manager⁴, p.5, no.21).

Q: "Do the people who feed you with information understand what you need to know?"

A: "No, I suppose there's a certain lack of prior communication. People tend to go along their own little road, and it's not until you shout and say 'hey, I want this', that they suddenly sort of think.

Q: "Are people here narrowly focused?"

A: "Yes, I think that is historical. Far more people are sort of overlapping jobs now under [the current M.D.] than they were under the previous management; there was very little communication between the different departments, everyone had their own little job to do and that was it, there wasn't a great deal of contact at all." (Personal Assistant/Secretary to M.D.⁴, p.1, no.4).

The reasons behind many of the problems with ad hoc communication within Company 4 were firmly embedded in the history and culture of the organisation:

Q: "Would you describe communications within departments here as generally excellent, satisfactory, less than satisfactory or poor?"

A: "Well it must be unsatisfactory.... But again I have to say that that is justified to some degree by the lack of detailed information in the business. The other element is that they weren't encouraged to communicate with each other very well. The business was split very much sales and the commercial side was this house, the production side was the factory, and the two should never talk. That was basically the unwritten law of the business - 'don't you interfere in that area, it's nothing to do with us'.... So the communication side is not as good as it ought to be within each department, but it is improving all the time and people are communicating more meaningfully with other parts of the business.... [The reasons are] historical and also to some extent one or two departments are still learning on what they should communicate; 'we've never told them before, and I didn't think we needed to this time', is very often the failing. So we've tried to clarify what they should communicate and how often they should, and to get involved. I think everybody talks much more readily and constructively now than they did even 6 months ago, but we still have to work at it." (Managing Director⁴, T2.S1. 445-486).

Communication between senior managers tended to suffer due to the amount of work they had to deal with. Many managers were still learning their jobs, had little support from their ill-trained and unmotivated subordinates, and felt under considerable pressure to perform well to meet the expectations of the managing director and the Group Board:

"Communication in the finance department at the moment where we've got all these things going on is probably just about satisfactory, it certainly isn't excellent.... From my own point of view I suppose it probably tends to be because you're fire-fighting a lot of the time and you've got too many people wanting to communicate and therefore you can't get all the information you want."
(Commercial manager⁴, p.6, no.28).

The lack of professionalism among junior staff within the production department was a particular problem for the works director:

"Within production they [communications] are satisfactory, but only just.... We need to get the activity, the sort of mental activity level at which people are working rather than retreating to their own tasks and plod away. To actually be a lot more alert and pushing out information and requests for action in all sorts of directions to get support and improvements; that's tended not to happen, - to sit back on their haunches and plod on."

(Works Director⁴, p.5, no.33).

Despite these communication difficulties there was a great deal of confidence among senior managers that individuals awareness of the importance of accurate, timely and meaningful communication was developing rapidly:

Q: In general do you feel that the people who feed you with information understand what you need to know?"

A: "If we're talking internally, yes, without a shadow of a doubt. I think in the first stages they weren't aware, but the [managing director's] been cultivating them for more information, so they've become attuned to that." (National Sales & Distribution Manager⁴, p.2, no.10).

Q: "Do the people who feed you information understand what you need to know?"

A: "I think there is perhaps a learning curve that perhaps we're still on; but I think generally, yes they do understand more the sort of information I need. I mean I don't now get information which is incomplete - very rarely. Whatever they give me has been thoroughly put together. And that's been a process of discussion and understanding of what the need is." (Managing Director⁴, T2.S1. 400-412).

These comments are symptomatic of the new mood of confidence that was beginning to develop within Company 4, and were associated with a cultural recognition of the organisation's increasing professionalism, emphasis on conflict reduction and introduction of basic democratic values and working practices.

8.3.4 Informal Communication

The senior management team tended to view the company grapevine networks as a utilitarian means of distributing certain types of sensitive information or pinpointing those individuals from whom further confidential information should be withheld:

"Well we actually do on occasions make the deliberate point of saying 'make sure that that information gets through the system, and you can do it via B-, via A-, or via so-and-so.'"

(Managing Director⁴, T2.S2. 241-248).

Q: "Are you aware of a company grapevine here?"

A: "Yes."

Q: "Do you view it as a management tool?"

A: "...Yes."

Q: "Can you give an example of when you used the grapevine in this way?"

A: "...If I wanted to find out if there was a leak, a mole leak, I would feed absolutely confidential information *and wait for the* next person to come and tell it absolutely confidentially to me. That type of thing." (Chief Engineer⁴, p.3/4, no.16).

However, among senior production personnel there was a perception that the grapevine was not well developed, and that consequently its impact and utility were extremely limited:

"I don't think it [the grapevine] is that important in this factory, it doesn't work, it doesn't have the impact it has in other places. So the information you need to feed into it is minimal and the information which comes from it is minimal."

(Production Foreman⁴, p.2, no.10).

Q: "Are you aware of a company grapevine?"

A: "I think the answer is 'no' in a normal sense. It tends not to operate here because of the way the company's been compartmentalised historically. There's [been] very little

communication between one area and another in the past. (Works Director⁴, p.10, no.72).

The absence of a well-developed grapevine system contrasted greatly with the situation in Company's 2 and 3 and especially Company 1. To some large extent it can be explained in terms of the unwillingness of the junior employees to be involved with the organisation; even gossip, speculation and hearsay concerning the company were, it seemed, casualties of the prevailing ethic of disinterest and discontent.

8.3.5 Information Consciousness

Until recently the culture of Company 4 had placed little value on information and had suffered from an extreme lack of investment in new technology and information systems generally. The minimal information awareness of the past culture was associated with the 'limited horizons' mentality and short-term profit motivation of the three owner directors:

"I class Company 4 as a nursery business in the context of business administration and in information technology. It's not the fault of the current management it's the fault of the company of old being short-sighted in developing systems within the company for the future, lack of investment."
(Account Manager⁴, p.3, no.11).

Within the past 16 months a new management style had been instituted as part of a more general attempt to initiate cultural change which had profound implications for the way in which information resources and communication performance were regarded:

Q: "How does the new management style contrast with the old?"

A: "It's totally different. The new management have a much more modern approach to communication, more emphasis on communication. Whereas the old management style was 'only tell people anything they felt they ought to know',... now all the information, there is nothing kept under the command desk, all information is passed on.... In the past you never knew how well you'd done in a

financial year. They would say 'well we've made a profit', and that was all you would get." (Production Manager⁴, p.2, no.7).

There was evidence, in the form of the planned new computer systems, the building-up of databases and the expressed opinions and beliefs of the respondents that information issues were a priority for the company:

"I don't believe you are going to run any company well without having a lot of information to make decisions on; it's like trying to fly a plane without any dials to look at. And I think one of my prime requirements, which perhaps I took for granted in my previous background is information. I didn't realise until I came here how important information had been to me."

(Managing Director⁴, T2.S2. 498-509).

However, there was a general recognition that the company was still far from possessing efficient and effective information systems. Many employees lacked the information awareness or information skills required of a modern company, and it was clear that it would take some considerable time to overcome these difficulties:

Q: "Is Company 4 'information conscious'?"

A: "No, it's too early in our programme of change." (Works Director⁴, p.10, no.67).

"I would say that probably information has not been that highly valued, perhaps people don't think of it as being a resource really. As far as lower down the scale, they haven't usually had that much information before." (Commercial Manager⁴, p.14, no.87).

CHAPTER NINE

GROUP CULTURE

9.1 Overview of the Chapter

This chapter represents an attempt to synthesise the core categories that have been used to explicate the cultural and information/communication dimensions of four of the Group's principal subsidiaries. The objective is to present a unified and holistic account of the global organisational culture and an overview of the Group's information and communication phenomena. The illustrative comments which supplement and enrich this case are largely drawn from interviews with members of the Holdings Board, who were almost certainly in the best position comment on the nature of the Group as a whole entity.

Naturally, this macro perspective on the Group tends to concentrate on the similarities between the subsidiaries at the expense of the very real points of contrast and disjuncture. In short, this chapter is open to the charge that it disguises as much interesting and useful material as it discloses. While there is some truth in this claim it should be noted that the real focus of this thesis is on organisational culture, not subcultures, and it is therefore more relevant for the chapter to concentrate on the common and generally shared characteristics. Nevertheless, where a subsidiary differs considerably from the Group norm this dissonance of cultural or communication trait is commented upon for the benefit of the reader.

9.2 Group Cultural Profile

9.2.1 Personnel Orientation

The personnel orientation was one of the dominant features of the Group culture. This phrase has been used to refer to a variety of related notions concerning the Group's attitude towards its employees:

- a) a belief that one of the roles of the company was to provide jobs with good wages and working conditions and not just to make a profit for the shareholders.

"It's been promulgated on more than one occasion by the chairman that sure we have responsibilities to the shareholders, but we also have responsibilities to our people, and we should not consciously try to do things with the minimum of people. One of our roles, particularly in the Sheffield of the late Twentieth Century, is to provide jobs."

(Non Executive Director², p.17, no.65).

"We tend to think that the wages and conditions are pretty reasonable."

(Non Executive Director¹, p.14, no.97).

- b) an apparent tolerance of employees who were recognised to be under-performing.

"Having a caring culture is a mixed blessing... there are occasions when that can slow things down.... When someone is patently incompetent we all carry them for far longer than a lot of companies."

(Non Executive Director¹, p.16, no.15/16).

- c) a high regard for the rights of individual employees.

"It's a very strongly people-oriented company; we've got a high regard for

personnel policies, and the rights of our people."

(Chairman & Chief Executive, p.15, no.76).

- d) a generalised feeling of benevolence on the part of the senior management of the company toward its workforce, allied with other cultural norms stressing consensual, democratic and participative decision making which at times bordered on the paternalistic.

"[The Group] is a very people-oriented business, and it attempts to steer a path between being an effective, profitable organisation and being a caring employer; also taking an active role and interested part in the environment in which it works. I have no doubt at all that it could be more profitable; I've also no doubt at all that it could be better on its personnel front. But I very much doubt whether it could be better as a combination of those two."

(Development Director, p.22/23, no.58).

This personnel orientation, which was the cornerstone of the Group ethos, had in recent years been moulded and reinforced by the chairman and chief executive who had a background in personnel.

"I regard myself as the personnel director. So all the things you would normally have expected a personnel director of a Group this size to be doing, like salary structures, remuneration, I do, because I think it's important.... I'm involved in everything which I associate with people: pensions, motor cars, all the emotive things."

(Chairman & Chief Executive, p.16, no.79).

But as many long-serving employees observed the chairman was merely continuing traditions that had been a significant feature of the cultural landscape of the Group for an extremely long time; and

according to Johnson (1968) date back to the intentions of the founder of the company himself.

9.2.2 Loyalty

The best evidence for this corporate trait was the Group's excellent strike record. The Group had suffered only one major strike in its history; in the Autumn of 1986 there was a six week stoppage at Company 1 which cost the business around £1 million. Despite its generally benevolent attitude towards personnel at all levels, with the end of the strike the Group took the opportunity to shed those employees who it considered undesirable members of the organisation. The long-term impact of the strike on worker loyalty to the Group was, though, perceived to be marginal by members of the Holdings Board; a perception that was supported by informal conversation with members of the workforce themselves.

"It's an old fashioned word, but people are very loyal to the company."

(Development Director, p.23, no.59).

"Tremendous loyalty to the organisation. It's a quality which is easy to dismiss, but I think it's very valuable."

(Non Executive Director², p.7, no.70).

9.2.3 Informality

The cultural norms within the Group encouraged a degree of informality sympathetic with its personnel orientation and compatible with its lack of emphasis on professional austerity:

"I think there is a tendency for us to be more informal than if it was a harder, more professionally run organisation."

(Non Executive Director¹, p.15, no.5).

Indeed, to contravene the norms of informality could create problems, even for the most senior executives:

"I still have some doubts in my own mind sometimes, when I write internal memos, as to how I should sign them. If I do have a number to sign on any one occasion, let's say they're in the file for signing at the end of the day, and combined with the external letters I'm signing for and on behalf of the company, and have on occasions gone through to an internal memo and signed it H.B. Stokes where normally I put Bev Stokes or just Bev. If I make that mistake, of putting H.B. Stokes on, and I send it to the wrong person, I can create a wall; what's the matter with him today, why have we suddenly gone all formal? - because it's an informal organisation."

(Chairman & Chief Executive, p.6, no.26).

This informality was evident throughout the organisation in terms of the extent to which individuals of different rank were on first name terms with each other. Specifically within the Holdings Board, the comparative lack of formal committees, the loose organisation of those few committees (such as the Remunerations and Pensions Committees) which did exist, the deliberate under-playing of authority by the chairman and chief executive, and the somewhat ad hoc division of some duties (such as in the rotation of Holdings Board directors to subsidiary board meetings) were further indicators of this Group proclivity for informal operation.

9.2.4 Lack of Professionalism

While the Group culture was not characterised by uniformly high levels of professionalism there was a deep-rooted feeling among many respondents that the company as a whole was becoming increasingly professional.

"I think by-and-large we're improving rapidly."

(Chairman & Chief Executive, p.3, no.98)

"A few years ago, budget, really nobody cared about whether you hit budget or not.... Now it's changing and we are. For the last couple of years we have had a review process where a member of the Group Board with the F.D. have gone and spent at least a day with each of the subsidiaries going through their budgets before they actually get presented to the Group Board."

(Non Executive Director², p.5, no.53).

Nevertheless, lack of professionalism was still problematic in a number of respects, with terms such as 'comfy' and 'slovenly' frequently being used to describe the Group work environment:

"Here we are much more cosy than that [Mars]. Cosy is a bad thing to be, but it's - we do take people's needs and aspirations into account and we recognise that they are doing more than just working for us, trying to live an enjoyable and fulfilling life as well."

(Development Director, p.23, no.58).

"I think possibly you could submit one word, which is 'comfy'."

(Group Financial Director, p.20, no.24).

This casualness was evident in several guises, notably as an unwillingness to take up the challenges of the commercial world and an unwillingness to take responsibility for decisions.

"An area where we may have a problem...[is]... that I think there is an unwillingness for people to say, you know, 'that's my ball and I'm going to run with that one'; or 'I'm going to take that one on'. So that facts can be presented and there might be an uncertainty as to who really does what at the end of the day."

(Company Secretary, p.9, no.54).

"I think there's this general referring back all the time which the lack of clear authority and threat, and this McGregor Theory X type figure sort of thumping the table and shouting and screaming - the lack of that figure

causes people I think to send decisions up and down the chain all the time, and nobody is really very keen on making a final decision. I don't think that goes for the PLC, don't get me wrong; but that's the feeling that comes through from the subsidiaries. An awful lot of people, and you wonder what their real responsibilities are, and you wonder whether people are doing a job just because they just succeeded someone else who was doing it, and nobody's really reappraised that they need to be doing it or not."

(Company Secretary, p.20, no.24).

The casualness and general unwillingness to take responsibility for decisions were symptomatic of poorly defined job responsibilities, the lack of formal control mechanisms for ensuring that decision-postponement by junior and middle management was immediately detectable, and a general diffuseness of authority. In short, there were many facets to the Group's lack of professionalism, and these are dealt with in more detail below. Two principal causes of this cluster of characteristics were minimal investment in staff training and a tendency to make internal promotions rather than bring talented people in from outside. On a Group-wide basis, like so many other elements of the organisation's culture, these cultural traits could be traced back to the company's insistence on maintaining what in this thesis has been referred to as its 'personnel orientation', which had clearly created conditions which de-emphasised professionalism.

9.2.5 Democracy and Autocracy

The ethos of the Group was almost unequivocally democratic, and the style of democracy in evidence was both participative and consensual.

"I think it [the Group] has a very recognisable corporate culture which is one of a very democratic type of management style."

(Company Solicitor, p.23, no.38).

"We tend to manage by consensus, not autocracy."

(Non Executive Director¹, p.14, no.97).

"What tends to happen here is that decisions tend to be made more by groups."

(Non Executive Director¹, p.17, no.32).

At the most senior level this proclivity for democracy was manifested in two significant ways. First, the functioning of the Holdings Board itself, which relied largely on collective decision making, strived for consensus on major issues, eschewed strict job demarcations or other trappings of formality, and laid great emphasis on the uninhibited free flow of information. This mode of operation was facilitated by the small number of individuals involved (a maximum of six), the day-to-day spatial proximity of at least the four executive directors, and a more general 'team spirit' reflected in the joint social activities engaged in by the Holdings Board members.

"There is a fair amount of wanting to encourage collective decision making on these things."

(Development Director, p.20, no.35).

"...we don't tend to have strict demarcations on the job that we do or don't do."

(Development Director, p.14, no.96).

"I think the Group Board works quite effectively as a collective decision making organisation. We're a fairly close-knit group and people do listen to what other people are saying and generally we come up with a pretty good consensus."

(Non Executive Director², p.19, no.75).

Second, the Holdings Board had devolved considerable power and authority to its principal subsidiaries which were permitted to operate semi-autonomously vis-a-vis the Main Board, though within limits declared in their annual budgets. This ethic of decentralisation had far reaching implications for the organisation's

cultural life, not least of which was a certain amount of confusion concerning the boundaries of the subsidiaries and the Holdings Board's responsibilities. Essentially the Holdings Board had the role of a fixer, mediator and expediter which co-ordinated the objectives of the Group and formulated and implemented major strategic decisions such as acquisitions and mergers. It also had special responsibility for pensions, some insurance matters, the legal requirements of being a public limited company, interfacing with The City, some personnel issues, and Group public relations.

There were, however, a number of 'grey' areas, notably some legal and personnel matters, for which responsibility appeared to be uncertain. To some extent this situation is typical of all Groups, but in this instance it seemed also to be a consequence of the Holdings Board's unwillingness to adopt firm rules to regulate its relationship with the subsidiaries except in a few specific areas, notably capital expenditures in excess of £50,000. The fact that the Holdings Board chose not to specify the fine details of its desired relationship with the subsidiaries was symptomatic of the chairman's preference for matters generally to be discussed and agreed on an ad hoc basis with all the freedom and flexibility that implied. It also reflected the relatively recent origins of the Group structure wherein the Main Board was still attempting to define and refine the framework for its handling of the subsidiary companies. Both of these factors though, played their respective roles within the broader context of the consensual/democratic ambiance which pervaded the life of the organisation.

"...our goal, our objective, is to co-ordinate."

(Chairman & Chief Executive, p.2,no.9).

"Because the managing directors of the Group subsidiaries are encouraged to develop their own companies to a very large extent there is a very free management style in the Group as you will begin to discover. I have to say that the influence of the superiors in the Holding Board is probably not as

great as it would be in many other organisations."

(Managing Director³, p.22, no.30).

"We are essentially concerned with 'what' and they [the subsidiaries] are concerned with 'how'.... Basically what I am trying to say is that we try and set a policy framework in which they can operate, and if they step outside that framework then they have to come to us because they are exceeding their remit. But within the limit of their framework, of what has been agreed, in the form of the budget or strategic plan, I think it's up to us to let them go ahead and operate."

(Non Executive Director², p.4, no.41/42)

9.2.6 Competition and Co-operation

The Group culture placed far greater emphasis on co-operative effort and team-building than internal competition, though the restructuring of the organisation had introduced a greater spirit of rivalry than had ever existed before. There was, in fact, evidence of a disjuncture between the prevailing co-operative ethos and the new Group structure which made co-operation between subsidiaries more difficult to achieve. Thus while many individuals welcomed the opportunities unlocked by the new structure, almost everyone in the subsidiaries thought that much had been lost with the development of the competitive edge. The Group's equivocal attitude towards internal competition was exemplified by the Holdings Board, which having created the conditions for competition to thrive, subsequently failed to encourage its development to the full:

Q: "Is competition between the subsidiaries encouraged and fostered?"

A: "Not in terms of the fact that we changed the organisation, in the sense that we have gone to a sort of profit-centred type of structure in the U.K.. That act inevitably tends to increase competition. If you then accept that you've got that structure, we don't tend to encourage competition any further than that. In fact, if anything it would err the other way. We would prefer to see companies [move] towards deliberately carving out niches for

their own products which limits competition with other subsidiary companies." (Non Executive Director¹, p.7/8, no.94/95).

Q: "Is competition encouraged between the subsidiaries?"

A: We're a bit ambivalent about it.... Sometimes we do and sometimes we don't." (Non Executive Director², p.12, no.12).

In fact, the Holdings Board had deliberately set up a system of formal rules to regulate internal competition, in an attempt to prevent it from making the negative impact they thought it might have on the business:

"Nobody's saying at any time that people should openly under-cut people. And there certainly is a dictate that they shouldn't compete with others for specific product areas. For example Company 2 would not be allowed to sell Alpha in competition with Company 1 because it has the reputation for Alpha. So there are a few little rules like that."

(Company Secretary, p.15, no.73).

The extent to which internal competition was ever likely to develop always seemed likely to be limited by the knowledge that all the subsidiaries were part of one Group, that they had a common Holdings Board and the fact that many individuals had worked in more than one of the subsidiaries and knew people working in other sectors of the business. There was also the point that in the U.K. only Company 1 and Company 2 were in direct competition, and even then Company 2 was heavily reliant on Company 1 which was its largest 'customer'. It should also be remembered that while Companies 1 and 2 were in some respects business competitors, there was still a reasonable amount of informal information exchange between the two concerning, inter alia, the purchase of raw materials and production issues generally:

"Only last week I had the production planner and his assistant [from Company 1] round the factory. I had a similar invitation from [the production director] at Company 1.... Certainly the production people in particular very much encourage that.... In the factory

there is an exchange of ideas, I have had people [from Company 1] ring up and say 'by the way we're looking at this... I heard you were dealing with that particular item, I thought it might be worth letting you know what we've done'.... I can't think of an instance where I've been refused a chance to look at something or indeed I've refused the chance for somebody to come and have a look.... Certainly on the production side there is relatively free exchange of information if one wants it.... On the marketing and sales side there probably is some inhibition there because we are competitors in some respects."

(Production Director², p.3, no.9).

The Group's lack of emphasis on internal competition also stretched to the activities of individual employees, who were encouraged to favour a co-operative attitude to their work and their fellow employees (as has been amply demonstrated in the Chapters on the individual subsidiaries above):

"Competition between the individuals is not a good thing."

(Development Director, p.10, no.75).

9.2.7 Conflict and Confidence

Individuals within the Group tended to have fairly high levels of trust and confidence in their fellow employees. This situation contrasted starkly with that reported to have existed some years ago:

"I can go back over many years where of course the Parent Board has had different people involved, and one has been extremely wary about what communication was given because you had a feeling, and sometimes certain knowledge in distant years, that the information was used politically as opposed to commercially. And quite often if it was used politically you ended up having to play politics yourself and try and work out who was the man to communicate with, because if

you went to the wrong damned horse you went down as well. That environment and atmosphere has truly gone,"
(Managing Director², p.5, no.26).

Four trust/confidence scenarios may be envisaged: within the Holdings Board, between the Holdings Board and the subsidiaries, between the subsidiaries, and within each of the subsidiary companies. Members of the Holdings Board were particularly confident of the abilities and trustworthiness of their peers. In contrast, the relationships between the Holdings Board and its subsidiaries and between the subsidiaries themselves were somewhat more conflict-ridden and it is these which will be dealt with in detail here. The levels of conflict within the subsidiaries was more variable and has been considered on an individual subsidiary basis above .

While the relationship between the Holdings Board and its subsidiaries was generally good there was conflictual activity between the Main Board and Company 1 which had lost influence and resources following the recent restructuring of the Group; not only does the managing director of the subsidiary no longer retain a place on the Holdings Board, but two 'new' companies were extracted from it. Unsurprisingly the Holdings Board is widely regarded by senior executives at Company 1 as having imposed a less favourable structure on the Group than was in place before 1986:

"So you go back 20 years and all there was was Company 1 in Sheffield, and there's some people still there. And they've seen grow out of Company 1, because it wasn't explained to them correctly at the time, a Parent Company which initially was seen as parasitic. They said, 'all of a sudden we've got another layer on top of us, and what are they doing?'.... And indeed some people at Company 1 still believe that the correct organisational structure is that you have just Company 1 and Company 1 have the other subsidiaries."

Q: "Did this initially inhibit the flow of information?"

A: "I think it still does to a certain extent." (Chairman & Chief Executive, p.17, no.86/87).

Personalities and personal histories were also playing a part in denuding trust and confidence levels between the Holdings Board and Subsidiary 1:

"Within Company 1 I was first production director then managing director, and oddly enough with both those jobs currently, there is a certain difficulty with our communication. I think it is a natural course of events and something that only time will put right. But if you can imagine, it is very hard for the bloke that stepped into that job; and if you take what we do tomorrow, I'm going to see the managing director of Company 1 - and that's a job I used to do - to go through his budget, and that's not an easy thing for him, because in a way he knows that I understand some of the problems of running that business. He can sit there and say 'well you never got this right what are you criticising me for?'"

(Development Director, p.13/14, no.93).

In the case of Company 3 tension between it and the Holdings Board was largely due to the Board's expectation of rapid growth in the newer export markets, which the personnel of Company 3 interpreted as a lack of understanding of the problems involved in operating an export division:

"...we have a problem in understanding by the Parent Board here who continue to set us targets irrespective of what's happening in the environment. They tend to have the philosophy that we can go on year after year producing results X% higher than the previous year regardless of all the other factors that are going on in the world. They just won't come to terms with some of the operational difficulties that we are under."

(Finance Director³, p.18, no.19/20).

Thus while there were inevitably some tensions and points of conflict between the Holdings Board and the subsidiaries these were, with the possible exception of Company 1, minor problems with little impact on the flow of information. The relationship between some of the subsidiaries was more conflict-ridden. The restructuring of the Group had placed Company 1 in competition with Company 2, and given the managing directors of the subsidiary companies more scope for pursuing their own objectives. Companies 1 and 2 would not, therefore, exchange information on new product development and regarded each other with some suspicion. Company 1 complained that Company 2 was under-cutting their prices for similar goods in the marketplace while Company 2 insisted on the need for all important communications between the two subsidiaries to be in writing following several 'misunderstandings'.

"If you split a business that's been in existence more than 100 years in three, you create a certain amount of antagonism.... That doesn't help inter-company communication."

(Development Director, p.10, no.70/71).

"[Communication] is probably worst... at least in certain peculiar ways between Company 1 and Company 2 because Company 1 regards Company 2 as a bunch of jumped-up upstarts who are trying to steal their place in the sun."

(Non Executive Director², p.11, no.6).

The other main crisis of confidence in the Group centred on Company 3. Of all the manufacturing subsidiaries only Company 1 was satisfied with its relationship with Company 3, reflecting their close historical connections, continuing spatial proximity (just three miles), the familiarity of its staff with the products of Company 1 and the people they needed to deal with. While the conflict was acute between Company 3 and Company 5, companies 2 and 4 also expressed reservations concerning their relationship with Company 3. Company 2 clearly regarded Company 3 as the export arm of Company 1, citing as evidence not only the 'poor' record of achievement of Company 3 with their products but Company 3's appointment of an extremely junior

member of staff to look after their interests. Company 4 had the particular problem that it produced medicated confectionery, which were products with which the staff of Company 3 were unfamiliar:

"I think for Company 4 and Company 3 the situation is difficult for them. First of all they don't know anything (or very little) about the medicated confectionery market; so obviously they're not talking about sweets, they're talking about a more specialised product, and their managers dealing on our behalf are limited at the moment as to what they can say about us. We have at some stage to try and educate them on the advantages - disadvantages, restrictions - limitations in our business."

(Managing Director⁴, T1. S1. 341-356).

The reasons for the conflict between Company 3 and Company 5 were diverse and complex, with different respondents implicating a host of factors ranging from language and national culture, to variables such as mistrust, politics and competition. The essence of the problem was that Company 5 relied very heavily on exports to maintain its profitability, had built-up good relations with a number of customers on the continent, and considered its export performance superior to the service offered by Company 3. The managing director of Company 5 was, therefore, unwilling to relinquish control of his company's destiny to the Group's export division, and it was this economic reality which underpinned the cultural and personal antagonisms between the two companies:

"There's no manager; Company 3 is an agglomeration of area managers and other people who are not managed. There is no discipline, there are no orders and they don't work. For the amount of people, 22, they don't have current ability. When an export manager is spending less than 20% of his time in the field it's not a lot."

(Managing Director⁵, p.10, no.88).

"I wouldn't suggest that I fully understand the machinations of the

history, but there are valid reasons why the communications problems between Company 5 and Company 3 are at the bottom of the pile.... It really is rooted in history and a lot of politics, I guess."

(Marketing Director³, p.8, no.53).

"I think it's sometimes a question of personality, language, culture, competition, mistrust...."

(Non Executive Director¹, p.7, no.91).

Thus while the culture was supportive of high trust/high confidence relationships other factors were in play which distorted the general picture: the most significant of these were economic competition (for internal resources and customers) and economic dependency (associated with the Group's internal market for products) as well as personal and 'political' variables.

9.2.8 Narrowness and Introspection

Until recently the Group had been a highly introspective concern with little interest in the external environment beyond maintaining its market share. While this cultural trait was giving way to more open, receptive and interactive attitudes towards the total business context a more than residual narrowness in the scope of the Group's vision on the world was still detectable:

"I think as a company we tend to be too blinkered."

(Non Executive Director¹, p.6, no.81).

In part this can be accounted for in terms of the company's history as an old family-run business which lacked the professional managerial skills and imagination required to look beyond its immediate habitat. At the time this research was conducted, however, it was more a function of individuals limited experience than Group history that was responsible for the continuing salience of this cultural feature:

"People like working here and don't move very quickly. So it means that you've

got a lot of people with a lot of experience. Now experience is good from one point of view, but it can also be the same experience repeated twenty times.... That's why I say I think that we tend to have a lot of long service people thinking that that's the best that can be done in that area of responsibility; and it isn't, because they haven't had experience of other situations."

(Non Executive Director, p.17, no.23/24)

This narrowness and introspection manifested itself in several ways. It partly accounted for the extent to which the Group was still production-led despite the realisation by the Holdings Board directors of the need to develop a marketing-led strategy to cope with an increasingly complex and changeable market. It also provided at least a partial explanation of the Group's changing attitudes towards exporting its products:

"...In the setting up of the International Division we have I think achieved a fairly dramatic turn-around in the way the company looks at information there. Because it was previously what I believe, rightly or wrongly, to be the traditional British attitude for exports; you know, which at its crudest is we will make enough for the home market and if anything's left over it will do for the foreigner. We, I think, are now beginning to think in terms of individual markets, in geographical terms."

(Non Executive Director², p.5/6, no.54).

Informationally the introspective nature of the Group obviously had tremendous implications for the boundary spanning function of the Group (which has severely under-developed), while commercially there was the possibility that profitable opportunities were being left unexploited.

9.2.9 Marketing-Led and Production-Constrained

Traditionally the Group had been a production-led organisation which placed higher priority on maintaining consistently high levels of output, rather than tailoring production runs to meet the demands of the market. This knee-jerk tendency to produce those products which could be made relatively efficiently and easily with little regard for patterns of consumer demand had been attenuated in recent years. However, the expressed objective of the Holdings Board to metamorphose the Group into a marketing-led concern is still far from complete. Within each of the manufacturing subsidiaries the production department was an extremely influential player in determining what products should be produced at what time, suggesting that obviating the historical dominance of production was going to be an extremely long and difficult process:

"There is a tendency to pull it towards the marketing orientation which I believe is the only feasible one in this day and age. You know you don't sell what you make, you make what you can sell. We're moving in the right direction, but it is still traditionally very much a 'let's keep the plant occupied - if in doubt keep the wheels churning and we'll find a way of selling it'."

(Non-Executive Director², p.12, no.78).

For the Group to become more market oriented was essentially a cultural shift that was not easily made, because it meant that the abandonment of what had been a core assumption, namely that production held the key to the Group's success; the recognition that this element of the organisation was no longer the most relevant for the ultimate survival and success of the Group had, therefore, to remain a long term goal.

9.2.10 Pace of Activity

The pace of work activity within the Group, with the possible exception of Company 2, was both relaxed and casual:

"there is a sort of laid-backness that is perceived by people as being slovenliness, which is probably the way I perceive it."

(Company Secretary, p.23, no.19).

The lack of urgency with which individuals conducted their duties was closely associated with the democratic and participative style of management. The democratic ethos encouraged employees to indulge in considerable internal reflection and debate, which often seemed to preclude quick decision making. The slow pace of work activity was also a consequence of the Group's personnel orientation, which meant that under-performing employees were not replaced:

"Having a caring culture is a mixed blessing: the vast majority of the people in the vast majority of time would say that is the thing to do. There are occasions when that can slow things down.... When someone is patently incompetent we all carry them for far longer than a lot of companies."

(Non Executive Director¹, p.16, no.15/16).

Non-cultural variables were also undoubtedly important here. For instance, one further factor which tended to impede the time efficiency with which tasks were accomplished was the under-developed nature of the computer systems in the subsidiaries, which could often make the search for, collation and analysis of information an extremely time-consuming activity. There was confidence that with increasing investment in new technology this cause of the slow rate of work activity within the Group would be obviated. More interestingly from the point of view of this cultural analysis was the Holdings Board's perception that this cultural trait would be short-lived only. The lack of professional values and positive attitude towards hard

work and commercial success which many respondents claimed underlay the Group's slowness were thought to be concentrated in the older management cadres soon destined for retirement:

"I'll define the group of individuals. It's those groups of older management who have been around for a number of years within the organisation, who have not yet been replaced by the younger school."

(Group Finance Director, p.21, no.30).

The Holdings Board were thus able to rationalise the Group's inability to move quickly to solve problems and seize opportunities by blaming both the technological equipment and an older generation of managers which lacked the skills required by a modern business. Holdings Board members showed only a marginal awareness that this was essentially a cultural trait that had its basis in the values, beliefs and attitudes of the vast majority of Group employees, and was thus consequently likely to be a characteristic of the company for many years to come.

9.3 Information/Communication Profile

9.3.1 The Group M.I.S: evolution

It is important to realise that the M.I.S. had been in its present form only since the organisation's most recent restructuring two years previously. The Group's M.I.S. had evolved under the guidance of the incumbent Group finance director and his immediate predecessor. However, it would be a mistake to consider the development of the M.I.S. as being wholly pre-planned; while the extent to which the company had exercised conscious, planned control over the development of its M.I.S. and the degree to which it had been built-up ad hoc was unclear, there was certainly an element of both:

"I think it's [the M.I.S.] grown like topsy and been modified with the emergence of the subsidiaries and the

setting up of things like the M.D.'s Meeting." (Non Executive Director², p.15, no.33/34).

9.3.1.1 Description

The formally defined information channels and specific pre-arranged communications related almost solely to financial and strategic matters. The formally defined information channels were constituted by the Holdings Board board meetings held monthly, and the subsidiary board meetings and managing directors' meetings which both had a periodicity of two months. The subsidiary board meetings always involved the chairman and chief executive (who chaired all the meetings except those for Company 3), the Group finance director, and the full complement of a subsidiary's executive directors. The company secretary took the minutes for the meetings at Companies 1,2, and 3; the other members of the Holdings Board attended the subsidiary board meetings in rotation. The meetings themselves were a forum for debate concerning the subsidiaries performances over the past eight weeks and their plans for the immediate future.

The managing directors' meetings were attended by the members of the Holdings Board and the managing directors of the subsidiaries. They were an opportunity for the managing directors to present their long term strategies for their individual companies to the senior executives of the Group. In addition to their communication function the managing directors also seemed to have ritualistic and general social value.

There were three major items of information passed by the subsidiaries to the Holdings Board during the course of a financial year: a) an annually agreed budget, b) a four weekly management account and c) a four weekly managing director's report which provided a more detailed breakdown of a company's operation. If a subsidiary was found to be below its agreed budget for more than one month then a control mechanism was operationalised in which it had to present a written

report demonstrating to the Holdings Board how it intended to rectify its position. Ad hoc reports concerning strategic decisions (especially capital appropriations requests) were also produced by the Holdings Board and the subsidiaries throughout the year, and while their content and timing was less fixed the channels through which they were processed (mostly board meetings) were formalised. Interestingly, no formal systems had been set up to transfer general Group information from the Holdings Board to the subsidiaries.

In reviewing the Group's M.I.S. it should not be forgotten that its primary purpose was to facilitate the accomplishment of the Group's business objectives, i.e. to show the shareholders a healthy return on their investment:

"Our basic objective is really a financial one and our fundamental objective is based on earnings per share growth. Because of that the rest of the matrix of budgets, strategic plans leading to budgets and the planning format and also the period accounts in the control area - all are geared towards making certain that we are achieving our fundamental objective."
(Development Director, p.25, no.72).

9.3.1.2 Problems with the M.I.S.

The Holdings Board was generally agreed that its formal information systems operated satisfactorily:

Q: "In your opinion does the M.I.S. operate efficiently and effectively?"

A: "It does, yes; if it didn't I would change it." (Financial Director, p.13, no.50).

There were, though, a number of problems and difficulties associated with these systems. Perhaps the most fascinating of these was that in the short term at least subsidiaries could maintain a degree of secrecy from the Holdings Board by deliberately omitting necessary but

non-specified information from, for example, their managing director's report:

"There are some sources of information that are worthy of more trust, not because the information you receive is any more accurate, but because of the nature of the information given. It's a little bit like people being sparing with the truth.... You will find that some sections of any business, and this one is no different, will produce information that is factually correct but does not necessarily give the true picture of the business.... The information we require from each of the subsidiaries is standard, it's on a standard format. For example, we have a thing called a managing director's report and each of the companies is required to fill one in on a monthly basis. If one looks at those one would find that some of those are easy to understand and some of them give you a real feel of how that business is conducting itself. Others give you the information that you've actually asked for but the whole thing doesn't add up; a little bit like pieces of a jigsaw are all there and maybe you can fix it together, but there is no picture on it."

(Development Director, p.1/2, no.14-19).

The deliberate construction of M.D.'s reports so as to fail to reveal a clear picture of subsidiaries' activities had a palpable cultural basis. Such actions reflected a lack of confidence on the part of the subsidiaries [especially Company 1] in the Holdings Board's intention to act in their best interests. This low level of confidence had its origins in the restructuring of the Group which had effectively disempowered Company 1. It was also symptomatic of Company 1's frustration, in that while it had day-to-day control of its operation it was, nevertheless, dependent on the Holdings Board's approval for the expenditure of sums in excess of £50,000 and ultimately accountable to the Main Board for its commercial performance.

Undoubtedly 'personal' and 'political' animosities also had a rôle to play here, providing a further motivation for withholding information.

A second problem involved the untimeliness of information from the subsidiaries, which reflected their often primitive internal information systems:

"I think we're a bit tardy in terms of the time it takes to get out Group accounts. They tell me that's both a function of the system that we have and the fact that this is a very complicated industry. So I accept the first, I think we have probably got a rather cumbersome system; I don't accept that we're complicated... that's a load of rubbish."

(Non Executive Director², p.15, no.38).

"...the M.D.'s report from each subsidiary has to be on my desk, according to my instructions, 15 days after the end of an accounting period. Now there are occasions when that is tight; they may even be delivered by hand on the fifteenth day."

(Chairman & Chief Executive, p.3, no.11)

The untimeliness of some items of information from some of the subsidiaries could, to some extent, be accounted for by reference to the relatively unsophisticated information systems possessed by Company 2 and Company 4. In contrast, in Company 1 it was not that the information systems were lacking in sophistication but the size of the operation that was in part responsible for the untimeliness of its information. But these problems - of being under-resourced and large-scale - do not yield an adequate explanation of the subsidiaries' inability to be timely in their communications with the Holdings Board. The generally low levels of professionalism within the subsidiaries, often associated with a lack of staff training, and a certain casualness in their approach to commercial life, were also factors supportive of untimely communications. Fundamentally, some subsidiaries were just not fired with the overriding need to respond to the Holdings Board on a timely basis.

Thirdly, the actual written communications from the subsidiaries often lacked standardisation:

"I spent my working career with American multi-nationals and got used to, I suppose, the American way of presenting data; and I think particularly the second of two companies I worked for were really quite good at it, had a standardised format of accounts and you always knew exactly where everything was. Things tend to be a bit scrappier in this organisation. People present things in their own way. It's beginning to be standardised, but you have to look more, and some of the systems themselves are, I think, less informative.... Standardisation of accounting forms would, I think, be useful. Yes, I'm all for a bit of formality. If you know what the rules are you know what you're breaking, that's often one of the functions of the rules."

(Non Executive Director², p.4, no.45/p15, no.35).

While some attempts had been made to standardise the major items of communication between the subsidiaries and the Holdings Board - certain information had to be included in the various accounts and M.D.'s reports - the detailed fashion in which this was presented varied from subsidiary to subsidiary. This state of affairs reflected a Group emphasis on subsidiary autonomy and an understanding that each subsidiary was seeking to devise those information systems best suited to its style of business:

"Every company has a differing information system which by its nature requires it to be presented in different formats. I believe that the format which allows that individual to run his business efficiently is the best format and therefore I am quite willing, at times, to struggle with the information."

(Group Finance Director, p.3, no.47).

There therefore seemed to be an acceptance among the executive directors that subsidiary communication would never be completely standardised, and this had become incorporated into a facet of the Group philosophy.

9.3.1.3 Technology

The Group's attitude toward the new information technology was favourable; there was a recognition of its value and, indeed, the necessity of the organisation to utilise computer-based information retrieval systems, word processors, and telefax facilities:

"I mean in terms of such things like word processing and micros and mini computers, I mean they are used widely throughout the business. There's been no reluctance to introduce new technology other than really just on a cost basis; and if that has been feasible *cost-wise* it's been introduced."

(Company Secretary, p.21, no.15)

A variety of organisational information activities at Holdings Board level involved the use of computer technology:

"The consolidation of all the Group's subsidiaries is now computerised. We have all the foreign currency and foreign currency management which is now computerised. All Head Office accounts which were previously hand written are now computerised and we have, within subsidiaries, two new computer systems going in within the next six months."

(Group Finance Director, p.13, no.51).

And there was considerable confidence that the extent to which new technology was used would increase and, that increasingly sophisticated hardware and software packages would provide the Holdings Board and the subsidiaries with better tools with which to conduct the business:

"Well I suppose if you say what is the ultimate, each of us will be able to sit down and in effect interrogate the computer, saying what is the state of the market at the moment. Now we're not at that stage - or key graphs about movements in the business, that sort of thing. No, we're not able to do that - but there's no doubt about it, we're going to have it."

(Non Executive Director¹, p.9, no.27).

"I can perceive that in the not too distant future that all the computers within the subsidiaries are linked so that I can instantly get access to more detailed information. For example, we've just taken the step of linking the micros of the individuals who I require information of within this organisation - and that is something that will expand with time."

(Group Finance Director, p.14, no.60).

From the Holdings Board point of view three information/communication advantages were associated with the new technology. First, it had led to the more time efficient production of information:

"... there's a rapidity of the production of information because of the new technology. So yes, it plays a large part from that point of view. We do produce the accounts and it's all enabled to happen quickly because of technology."

(Company Secretary, p.20, no.14).

Second, spreadsheets made the analysis of complex data sets much easier to accomplish:

"I mean, to give you an example, if we were looking at an acquisition the 'what-if' programs we can feed into a micro (a series of 'what-ifs' - if we acquire Cadbury's or Rowntrees or Mars). You know, we can feed a lot of information into equipment and say what it will look like if we make that decision. Now you go back two or three

years and that would have been a horrible, hard, manual slog."

(Chairman & Chief Executive, p.11, no.51)

Third, computer technology allowed information to be formatted in accordance with the needs of managers for specific tasks, to make comparisons, show trends etc.:

"...it enables us to analyse information input from, say, another company that we may be looking at and interpret and produce that information in our own format.... It enables us to extract those figures and put it through the system and produce figures in a format that the rest of the directors are used to seeing because they see it in the same format as the rest of the business."

(Development Director, p.20, no.36)

These three features of the new technology were considered important for the overall management of the organisation, which it was felt could be accomplished more efficiently and effectively given these technical advances. Two of the most important advantages it conferred on the company were the facility for better risk management and an improved reaction time to changes in the external environment, though this still required improvement:

"First of all it is important in the sense that it gives you up-to-date information on the progress of the current businesses which are very important in establishing what degree of risk you can take in the future; obviously you can take more risk if the current businesses are doing very well."

(Development Director, p.20, no.36).

"I think we're fairly responsive to changes in the external environment.... I think one of the reasons why we could do a lot better is that we've not got a good computer system."

(Non Executive Director, p.18, no.38/43)

The Group's enthusiastic embrace of Information Technology was indicative of a culture which was not generally 'luddite' in its attitude towards new ideas and new inventions. The fact that the organisation had only recently invested heavily in the new technology was as much to do with the financial problems of the late 1970's and early 1980's as it was with a lack of appreciation of the advantages computers could confer on the business. The relative youth of the Holdings Board and especially the Group finance director who was particularly 'computer literate' meant that in terms of the Group's approach to Information Technology the organisation was less narrow and traditional than might have been expected. There were, however, still residual worries concerning the justification for investment in equipment that did not make something tangible:

"And in terms of justifying the purchase of a new machine, I mean a production machine, you can say it will go X faster, produce so many more sweets, and use less people, give a greater yield. In terms of information systems you're looking at justification in terms of negatives: what happens if I don't get that information? How good are the decisions going to be? There are very few positives."
(Chairman & Chief Executive, p.9, no.39)

This is precisely the sort of comment that could have been predicted on a far more widespread basis in a production culture oriented towards the manufacture of a specific set of products. That such fears were expressed relatively infrequently was emblematic of the new spirit of professionalism which the rejuvenation of the Group was beginning to engender.

The introduction of new technology into the organisation might have been expected to have cultural implications in terms of its impact on status and power and therefore on levels of conflict and, concomitantly, patterns of communication. There was, however, little evidence in support of this hypothesis from the Group macrostructural perspective; though if the Holdings Board is ultimately connected to

its subsidiaries by a computer-link which allows the Board direct access to large amounts of data concerning their current performance, this may further strengthen the position of the Main Board (and especially the Group Finance Director).

9.3.2 Information-Culture Type

The Group possessed an oral information culture:

"My word is my bond.... There's no doubt about it... I'll give you an instance. I'm Chairman of a private hospital but actually it's a British company but staffed solely by people who've worked for American companies, and they just carry on the habits they've learnt at A.M.I. or H.C.I.. And everything, the key things, to a fault is in writing. Everything is documented. The minutes are prepared in a particular way... - we have a non executive secretary who is a solicitor; they go through his minutes word by word.... And we don't have that problem.... There's no doubt about it, the way we operate here which is oral, suits us more. And it would be a culture shock for people to work in this other type of environment."

(Non Executive Director¹, p.15, no.8-10).

Despite the Group culture's affinity with oral information transmission there were individuals who had not become fully socialised into this mode of working. Interestingly, these exceptional individuals tended either to have recently joined the Group or to have a specialised function requiring that they received and sent mostly written information (such as the Group secretary who was responsible for legal affairs). In addition, it should be noted that finance departments were also generally far less reliant on oral communication than marketing, sales and production departments, as has been demonstrated in the previous four chapters. Moreover, individuals themselves are complex phenomena, and even the most keen

oral communicators had particular preferences concerning the form in which they preferred to transmit and receive information depending on variables such as the subject matter of the communication, its length and how much time they personally had available. Such distortions of the general thesis that the Group possessed an oral information culture do not render it invalid or inconsequential; there was considerable reliance on oral communication, and this had a major influence on many facets of Group life. What these counter-trends do illustrate is that the written-oral duality captures only one salient feature of a complex and variegated perceived social reality.

The advantages of heavy reliance on oral communication in terms of the speed and ease with which it could be accomplished were matched by problems of distortion and misunderstanding. There were three basic ways in which 'noise' was being introduced into oral communications: deliberate and non-deliberate distortion by the sender and misunderstanding on the part of the receiver:

"It's the classic syndrome that information is never passed accurately between parties verbally [orally]; and people will always put a different perspective on it."

(Group Finance Director, p.10, no.24).

The Group's oral information culture was closely linked with its culture generally. Most importantly, the values which supported the personnel orientation were highly conducive to oral communication, which is a more intimate way of conveying information and a facilitator of interpersonal relations:

"By and large I think the 'Peter would you do this' or 'Frank would you do that' or 'could you give me this information' generally works better."

(Chairman & Chief Executive, p.6, no.26)

The organisation's reliance on oral communication also reflected its democratic and participative values; if a large number of individuals are to be coopted into the planning and decision making processes then

this is far more quickly and easily achieved if people are permitted to make an oral rather than a written contribution. That so much information was communicated orally was indicative of the high levels of trust and confidence individuals had in their compeers that information received was reliable, information sent would not be distorted, and that the appropriate actions demanded would be carried out. However, it was also symptomatic of the informality, casualness and lack of professionalism which characterised the Group. But more than anything else the oral information culture was the result of the fact that the organisation was essentially a manufacturer of goods and most of the employees were involved in the production units where of necessity information exchange tended to be oral. The nature of the business, i.e. being a manufacturing company, thus set the tone for communications throughout the Group.

9.3.3 Ad Hoc Communications

The vast majority of the Group-level internal communication activity (between the Holdings Board and the subsidiaries and between the subsidiaries themselves) was ad hoc. This information tended to concern specific problems and opportunities, projects and internal agreements. The extent to which the Group engaged in ad hoc communication was a reflection of its cultural distaste for formalised, systematic methods of operation.

The quality of the ad hoc communication between the subsidiaries and the Holdings Board was generally considered to be at least satisfactory:

"...if you say between subsidiaries and Group Head Office here I would say communications are probably reasonable."
(Non Executive Director¹, p.7,no.87).

Part of the reason for this was that with the restructuring of the Group the Holdings Board had moved away from Company 1 where it had traditionally been based, and the extra distance (three miles) between

them had gone some way to reduce the personal and political frictions that had formally been inhibiting communication:

"Certainly the move of Group Headquarters away from Company 1 - when I was first involved it was at Company 1 you know. That was a disaster and the move first of all down to the middle of Sheffield was good and then the move over here was better. I mean I sometimes think it would be a good idea to move the Group Headquarters away from Sheffield - but they won't do that."

Q: "So communication actually improved with distance?"

A: "I think so, yes, because it made them realise that they were a separate entity and therefore had to communicate. It was very easy just to slip into somebody else's office and chat, thinking you're communicating with them." (Non Executive Director², p.9, no.88/89).

A second factor facilitating communication between the subsidiaries and the Holdings Board was investment in fax machines which minimised the problems of operating at distance:

Q: "Has the geographical distribution of the company ever caused disruption to the freeflow of information as far as you are aware?"

A: "No, not any longer. The final part of the jigsaw which prevented the freeflow of information has now been eradicated and we now have a fax machine in our company in Crediton; therefore we now have instantaneous document transfers." (Group Finance Director, p.6, no.82/83).

However, while ad hoc communications were in general terms unproblematic, the subsidiaries did vary widely in their ability and inclination to provide members of the Holdings Board with timely and good quality information; Company 4 suffered from the primitive nature of its information systems and Company 1 was again prone to attitudinal problems stemming from its historical development:

"There is probably a slight attitudinal problem as well in that Company 1 has been in existence since 1842; it's a great big company. It's the biggest private employer in Sheffield etc. It's

linked to history, tradition.... A lot of it is to do with, - we have got a board there and an age structure of management which is at the top end.

Company 1 is the biggest, also the most political, so I would, while not questioning the accuracy of any information they provide I would look for the slant; what are they trying to prove? At the other end of the scale there is Company 4.... It's a very small organisation, they've just got a new management... and they are desperately trying to yank it into the Twentieth Century, and they're trying very hard. I would question there not any political slant, though undoubtedly there is some there, but just their actual lack of resources in terms of gathering information; and they have until just about now a very primitive accounting system. I mean the only way they could do a product cost was to take a physical inventory of taking away what was left from the sales.... That kind of thing."

(Non Executive Director², p.2, no.26).

The Holdings Board recognised a number of areas of weakness in their ad hoc communications with the subsidiaries, ranging from their timeliness, format and accuracy, to political bias and a general tendency not to provide as much information as they could when requested. To some large degree the Holdings Board took the onus of responsibility for these failings on itself:

"I do find that in terms of trying to solicit certain information responses, there are sometimes time delays, but I don't think that is due to the inadequacy of the people providing information to meet deadlines. It's more possibly the information is quite hard to come about and that's why they perhaps aren't able to produce it."

(Company Secretary, p.4, no.25).

"A lot of the work I do is investigating new areas of opportunity.... My problem is that I tend to be picking out

particular aspects of the business and honing in on a particular aspect I want to analyse to death. We haven't necessarily got all that information that is within the Group centralised so that you could have a V.D.U. on your desk and just press a button and out comes the information.... Basically what I do is to phone the subsidiary and ask them for the information I want and they groan and say 'oh my God, I don't think we can get that out, we will have to work on it, it will take two or three days', - that is a typical response." (Development Director, p.3/4, no.30-33).

Such comments reveal the undemanding nature of the Group ethos, and go some way towards explaining those problems which were firmly rooted in the subsidiaries. The Company secretary, for instance, who relied wholly on ad hoc communication with the subsidiaries and had instituted no formal structures at all for dealing with legal and insurance matters paid a particularly heavy price:

"I may have asked for something that is fairly critical to me and important for me to take a decision on in order to work with and I may get a two line, three line memo from an assistant to an assistant to an assistant; or somebody may get on the phone to me that is right down the hierarchy and they expect to chat with me for half an hour on a minor sort of problem. It's not what I'm here to do!"

(Company Secretary, p.4, no.27).

The Group's reliance on ad hoc communication was based on cultural norms and mores which valued flexibility, informality and interpersonal contact; while there was some appreciation of the merits of formalised and systematised communication this was very much a secondary consideration for the organisation. The Group's cultural antipathy for the systematisation of communication channels was closely interwoven with its belief in the advantages to be gained from a decentralised mode of operation. Moreover, when making requests for information members of the Holdings Board tended to see themselves as

interfering in the lives of the subsidiaries which was justified only insofar as it was for the benefit of the Group as a whole. This is not to imply that the Holdings Board had problems vindicating its existence, (though some members of the organisation thought along these lines), merely that its 'hands-off' managerial philosophy did not permit it to institute any further degree of 'restrictive' formalisation on the subsidiaries than was absolutely necessary.

The quality of the communication relationships engaged in by the Holdings Board and the subsidiaries and between the subsidiaries themselves reflected the historical and cultural proclivities and disjunctures detailed above. However, variables other than purely cultural factors, such as spatial location and technology had also to be taken into account in the assessment of Group-level communications; though it should be observed that distance seemed to be having an impact through the changes in attitudes which it engendered.

9.3.4 Communications between the Subsidiaries

There was surprisingly little communication between the manufacturing subsidiaries, which remained largely isolated from each other except insofar as they purchased and sold products between them; all the manufacturing subsidiaries sold product to Company 3 (for export) which was thus the subsidiary most heavily involved in inter-Group communication. The communication relationships between the subsidiaries varied tremendously in terms of their quality. While subsidiary communications with the Holdings Board were basically sound despite problems of detail and efficiency the same cannot be said of the communication relationships between several of the subsidiaries, where a competitive ethos inhibited information flow. This was most evident in communications between Company 1 and Company 2:

"Unfortunately communications between sister companies, there is a need that I find very sad there is a need to communicate in writing, to have something on record. That need has been manifested by the fact that there have been many occasions, even in the last

two years, when I have said 'we agreed that' - 'no we didn't'.... Now that is sad. Now the follow-up to that is that you've got to communicate in written form."

(Managing Director², p.3, no.14).

"I think communications between the subsidiaries are... not good, not altogether good because they do see themselves, and it's been encouraged by the company that they see themselves in this way, but they see themselves as competitors in the market. And therefore there are certain areas which they frankly say they don't want to discuss with each other."

(Company Secretary, p.14, no.74).

"Between subsidiaries, then, I would say that the communication is poor really, particularly between the Dutch factory and the U.K. companies, although it is fairly bad between several U.K. companies. When I say 'bad' in the sense that there is now a more competitive position between certain of the subsidiaries. So therefore, then, people don't necessarily agree that one of their roles is to communicate better with their fellow subsidiaries."

(Non Executive Director¹, p.7, no.87/92)

Communications were probably least satisfactory between Company 3 and Company 5 for reasons of politics, personal antagonism, economics, Group policies on company remuneration and national culture.:

"I think they [Company 3] think that their [communication] relationship with Holland [Company 5] is a bit dodgy at times."

(Company Secretary p.14/51, no.72).

The most effective communication relationship was that between Company 3 and Company 1 from which it had recently been derived; the staff of Company 3 were not only familiar with the products and people of Company 1 but also exhibited some residual loyalty to it. Even so, the relationship had become less intimate since the restructuring, and

with changing personalities and a growing sense of their own unique identity the privileged treatment Company 1 received could not be expected to continue indefinitely:

"If the question was, in terms of where you were last year, and where you are at this time, have your communications deteriorated or the amount of contacts reduced between Company 1 and yourselves, then the answer has to be 'yes'. In terms of the way you asked the question, then the answer is that we still have better communications with Company 1 than with the rest of the companies currently.... I think the better communications are born of the inter-character relationship and the history and the roots of people both at Company 1 and at Company 3.... I'm sure that over time Company 1 will become, in terms of communications, very similar to the rest of the manufacturing units."
(Marketing Manager³, p.7, no.48/49).

9.3.5 Informal Communication

The cultural norms of the Group supported an informal information network that linked the subsidiaries together and to the Holdings Board. The cultural consensus was that while information gained via the grapevine was often of dubious quality and reliability it should not be ignored and could be potentially useful:

"If I wanted to find out what Company 1 felt about a particular opportunity that we may have in terms of acquisition that would impinge on them before I had sufficient information available to positively check it out with them, in other words before I had something to say, I would still on occasion want to know what they felt. And I would find a way of feeding into the system a debate about this particular company we were looking at.... I think that in any organisation one of the things that the chief executive... ought to do is to recognise the informal lines of

communication and get himself plugged into them."

(Chairman & Chief Executive, p.17/18, no.90/94).

"I think everybody is part of some grapevine system, and you manage it and use it."

(Development Director, p.21, no.49).

Q: "For what purposes do you use the grapevine?"

A: "To find out the perceptions of the company; how various groups are reacting to decisions; whether or not that information can be used to aid the implementation of some aspects. (Group Finance Director, p.18, no.6/7).

The amount of information transmitted on an inter-personal word-of-mouth basis was a reflection of the Group's strong cultural preference for face-to-face contact and most particularly oral communication. The luxurious growth of the grapevine was also linked to the informal character of the business which created opportunities for casual social communication. In fact, so prevalent was gossip, speculation, hearsay and rumour, that many individuals had difficulty distinguishing between ad hoc formal operational communication and the grapevine of which they were frequently integral parts. Interestingly the confectionery industry itself had also developed a highly intricate informal communications network;

"Within the whole of the industry there is a phenomenal grapevine; you have to be very careful indeed what you say to anybody."

(Development Director, p.22, no.55).

9.3.6 Information Consciousness

The Group manifestly lacked sophistication regarding the concepts of 'information as a resource' and 'information management'. The organisation employed no qualified information professionals and had no library facilities other than what individuals chose to keep on their shelves and in their files. Indeed, no individuals were employed solely for their information handling competence or

specifically to seek out and/or analyse information; these functions were instead conducted by almost all managers on all grades. The circulation of documents such as newspapers, journals, trade and promotional literature was extremely poor, with little evidence of any formal systematisation either within the Holdings Board or the subsidiaries; whether an individual saw an article relevant to his interests which was not printed in a document he specifically requested was largely a matter of luck. This lack of information consciousness was recognised to some limited extent, especially as it impinged on individuals' decision making capabilities:

Q: "Do you think that most managers within the Group understand what information they need for decision making?"

A: "...I would think around half do.... I think within the organisation there has been a change from the older school of managers to more younger, professional managers within key positions within the organisation. There are still within the organisation a number of people who are of the older school rather than the new school and I believe it is those individuals who do not fully recognise the requirements of information to aid their decisions... I believe that by the late 1990's the problems will be neutralised. (Group Finance Director, p.17/18, no.99/1/2).

Lack of information competence was associated with older and less professional managers rather than as a Group failing; the idea that the organisation as a whole faced an endemic lack of information skills or that a lot more remained to be done in the information field was alien to the respondents.

Given the culture of the Group these findings are, perhaps, unsurprising. Fundamentally the organisation had been production-led and had required little external information or expertise in seeking it out, while much internally generated information had been, (and to a certain extent still was) stored in the minds and memories of key employees, and very basic information systems. In short, the Group was not 'information-intensive', and it could afford to allow its narrow and introspective attitudes and unprofessionalism to permeate the information dimension of organisational life as it had every

other. This Group emphasis on production had had a lasting impact on the types of information both most easily available, and most elusive:

"I would like to see much more up-to-date information about what is happening in the marketplace for the industry in general and our products in particular - that's both by product and customer and outlet type.... Certainly there's no doubt I would like to see much more external information: what's happening outside. We're very good on what's happening inside, what we want to know is far more information about how we compare with our competitors and how are our products doing in the marketplace."
(Non Executive Director¹, p.2, no.26/28)

This said there was evidence - investment in new technology, the computer-storage of essential information such as recipes and a feeling in some senior circles that the business should be more marketing-led and so more information-aware - that the Group's information consciousness was rising as its culture evolved; but radical changes in attitude and approach to information issues was extremely unlikely in the immediate future. Evidence for the 'new' thinking was provided by, inter alia, the development director:

Q: "Have any attempts been made to cost/benefit analyse the value of information for decision making?"

A: "Certainly within our subsidiaries that's been done, particularly when new computer systems were being thought of for those subsidiaries. It is, in fact, being done at this very minute in Company 4 today. Basically before any company has gone ahead to modernise the computerisation of their systems, or put in their information systems, they have attempted to first of all identify that information really was required within the business, and then attempted to evaluate how cost effective providing that information would be. It tends to happen in specific areas where you can identify that a certain amount of information.... Within any business there is a core of information that you need however much it's going to cost. There are pockets of information sometimes you can identify that it is not cost-effective to have, but it's not a science, it's more an art. (Development Director, p.7, no.52).

CHAPTER TEN

GROUP CULTURE: AN OVERVIEW

This overview of the Group's culture begins with a consideration of how the major features of the cultural landscape inter-link, underpin and reinforce each other. A detailed conceptualisation section then provides a synthesis of the main themes contained in the preceding case study chapters. This is followed by sections providing an assessment of the relative strength/weakness of the culture, the extent to which the Group culture was controlled from the centre and the forces for stability and change which seemed set to govern the cultural development of the organisation.

10.1 Summary

The individual cultural traits identified and examined in previous sections of this chapter are in reality involved in a complex series of inter-causal and mutually dependent relationships, and it is the totality of these characteristics and the ways in which they relate to each other which conjointly compose the Group's unique corporate culture. The starting point for understanding the culture of the organisation is its long historical development as a family firm; the spirit of tradition which developed over the years had found lasting expression in the form of the Group's lack of professionalism and personnel orientation. This relative de-emphasising of professional values was itself associated with a conservative approach to business matters generally and a certain narrowness of vision and introspectiveness.

The personnel orientation had, with the end of the family era, become tied in with democratic and consensual norms which laid great stress on participation by managers at all levels. These democratic values were further supported by the development of increasing levels^{of} trust and confidence and the strengthening emphasis on internal cooperation

(rather than competition) which accompanied the end of the political and status-seeking period from the early 1980 s onward. These same democratic values and personnel orientation also contrived to make the Group the relaxed, casual, informal and slow-moving organisation it was.

This characterisation of the Group culture, while valid and veridical fails to capture the spirit of freshness and vitality which it had apparently only recently acquired, partly due to the restructuring. This feature is perhaps the hardest of all to give represent accurately, though a comparatively new member of the Group probably made the most vivid attempt:

"Allied [Allied Lyons] is a vastly more professional set-up, but vastly more demanding, and less individual than [the Group]. The main benefit of [the Group] is its individual approaches; it's personal, it's got a personality that you are able to feel part of or close to. Whereas at Allied it was inclined to be a very large conglomerate which in many ways you couldn't influence, - you know, you were part of the system and the system trundled on and you trundled on with it. [The Group] is refreshing insofar as it's almost, despite the fact that it's been in existence a long time, it's almost in an embryo form really. And because of that you're involved in almost a newness, a sort of freshness of opportunity in a way, and the involvement is more interesting in a way."

(Managing Director⁴, T.2.S2. 527-583).

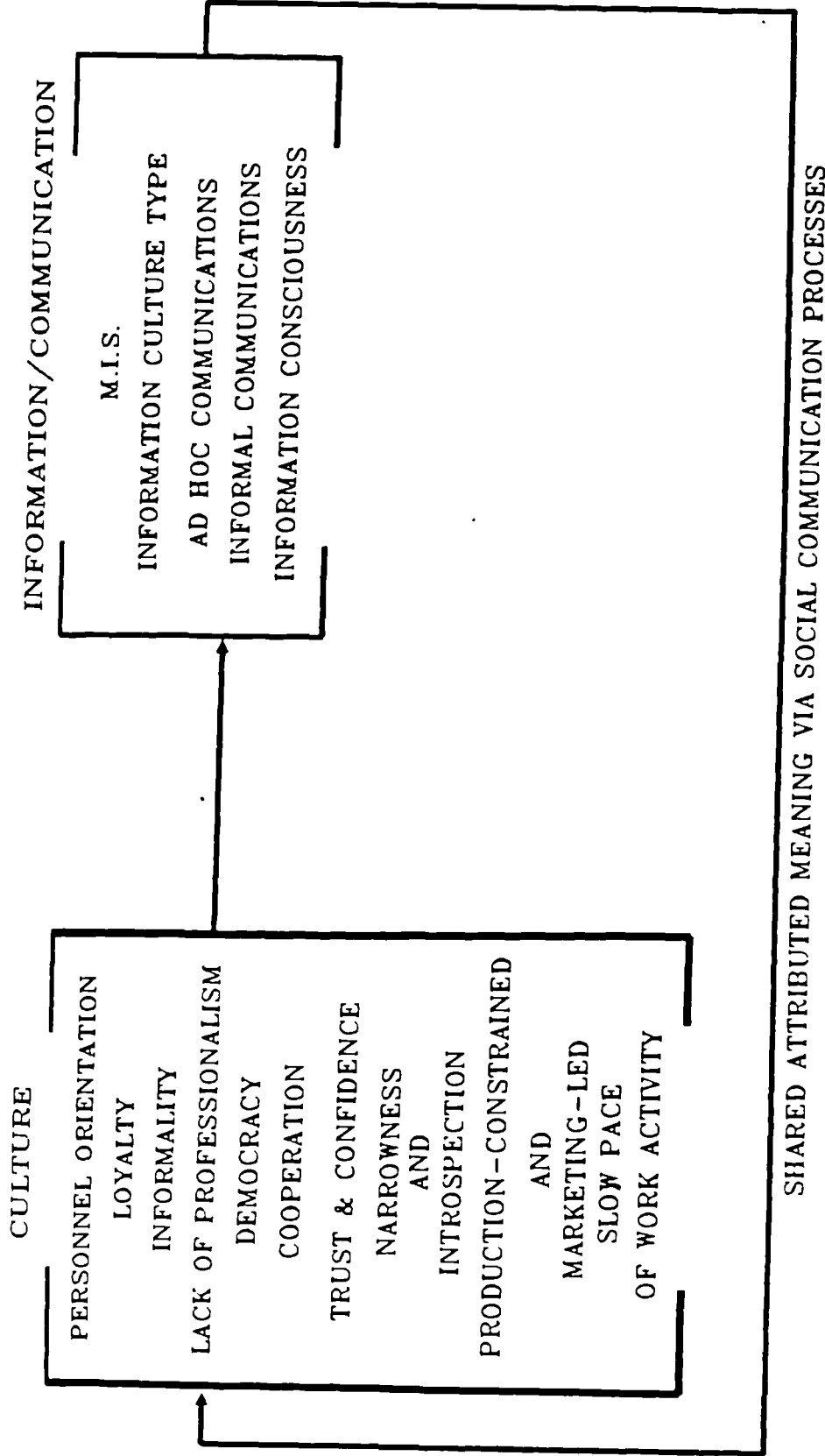
10.2 Conceptualisation of the Cases

The empirical model implicit in chapters 4-8 may be formally described as follows (see fig.2).

This empirical model can be expanded and made somewhat more theoretical in order to provide a more generally useful analytical

EMPIRICAL MODEL

THE RELATIONSHIP BETWEEN THE GROUP'S CULTURAL AND INFORMATION/COMMUNICATION PROFILES



SHARED ATTRIBUTED MEANING VIA SOCIAL COMMUNICATION PROCESSES

Fig.2

tool. In specific terms the cultural profile can be replaced by the core elements of an organisational culture as revealed by the literature review, and the information/communication profile enlarged to accommodate some of the concepts that were subsumed under the five categories for the purposes of analysis. The resulting theoretical model can be drawn as illustrated in fig.3.

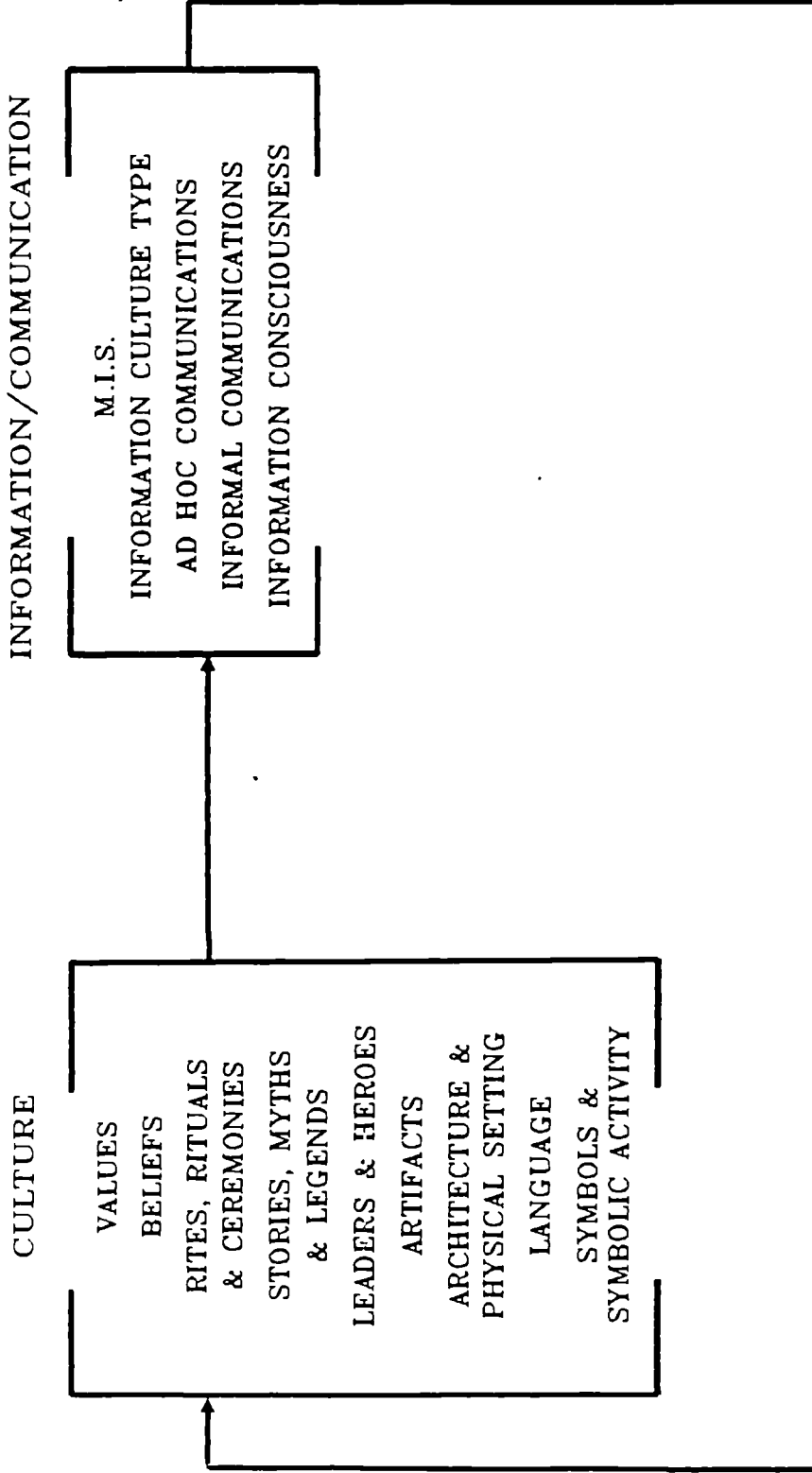
Both the empirical and theoretical models are open to the criticism that while they list the major cultural and information variables they do nothing to explicate the relationships between them. This criticism is obviously valid and extremely difficult to address in terms of making refinements to the models given the complex inter-causal nature of the relationships between culture and information/communication phenomena. In short, because of the almost infinitely variable nature of organisations any more precise model is liable to the charge of being too simplistic to cope with any observed organisational reality. A second criticism likely to be levelled against the models is that they are incomplete. This criticism is also valid, with culture being only one among many factors which influence the nature of information and communication structures and processes in organisations. What is required is a more complete account of the relationships between cultural and information variables and a broader appreciation of the multiplicity of other factors which help to shape the information/communication environment. An attempt to fulfil this requirement is given below:

* Management Information System.

The M.I.S.'s in operation in the subsidiary companies were symptomatic of the prevailing cultural beliefs, values and attitudes dominant in these organisations. In all of them there was a strong predilection both for informality and the non-systematisation of communications channels combined with a lack of professionalism which naturally found expression in the form of an information adhocracy. This tradition had developed over a long period of time, and was deeply embedded in the psyche of the organisation. Added to this there was a widely

THEORETICAL MODEL

THE RELATIONSHIP BETWEEN ORGANIZATIONAL CULTURE & INFORMATION/COMMUNICATION



SHARED ATTRIBUTED MEANING VIA SOCIAL COMMUNICATION PROCESSES

Fig.3

held conviction that individuals could broadly be trusted neither to deliberately distort information nor to consciously act contrary to the best interests of the company. Moreover, as a manufacturing company there was a tendency for information systems to be undervalued relative to production equipment, the financial utility of which was relatively easy to assess. Furthermore, the organisation as a whole had until recently lacked the knowledge base necessary to appreciate the potential of formal information systems and achieve a successful implementation of them: to some extent this was still true, though great progress had been made during the late 1980's. In sum, for a variety of reasons there was no culturally perceived need for a fast, efficient and effective formal management information systems, and unsurprisingly they had not therefore been developed.

Valid and interesting though this explanation it is still incomplete. One major reason why the M.I.S. might have been underdeveloped even if the culture had been more supportive than it was has its roots in the financial performance of the organisation. Profits for the company had always been small, and despite an up-turn in its profitability since the mid 1980's what available cash there had been (arguably) needed to be invested in new capital plant and equipment. While financial constraints cannot be ignored, neither can the business context within which the organisation subsisted. The sugar confectionery industry had for many years been slow-reacting and unadventurous in its products, marketing and customer-liaison. The business environment had thus reinforced the organisation's own self-perceptions of the limited value of complex and expensive information resources and systems.

Thus a knowledge of culture has to be informed by an appreciation of both the financial constraints and situational context which impinge on an organisation's information strategy. The picture is obviously complicated by the fact that the financial, material and technological resources available to an organisation, and especially an organisation's environment, can have significant cultural implications. It is also arguable that material resources and

business context may ultimately have their impact (at least in part) through more subtle cultural channels than strict structural-functional accounts of organisational behaviour admit. Facts, figures and business environments do not determine action, they set the conditions for it, and as such are subject to intense critical evaluation through the perception filter of culture. The resulting beliefs, values, attitudes, expectations and knowledge then inform the decision-making and social situational arenas within which organisational structures and processes like the M.I.S. are culturally constructed.

* Ad hoc communications.

The ad hoc nature of much of the communication activity within the group reflected its cultural antipathy to the systematisation and formalisation of communication channels. The extensive reliance on ad hoc communication was obviously largely a consequence of the poorly developed M.I.S.'s in place in the subsidiaries, the cultural roots of which have already been explicated above. Nevertheless, the specific web of beliefs and values which underpinned ad hoc communications within the group requires further elucidation. Thus the Group's 'personnel orientation' included a belief in the ability and integrity of employees, to whom judgements as to when, how often, what, how and who to communicate were readily devolved down the hierarchy, effectively obviating the need for rules or formal mechanisms. Perceived high levels of trust between employees and a belief in the need for a cooperative working environment further supported ad hoc communication.

Again, the narrow cultural interpretation needs to be supplemented by a consideration of a number of other active factors in order for a sufficiently rich explanation of the prevalence of ad hoc communication within the group to emerge. Foremost among these factors are certain aspects of the group organisational context and the nature of the work being carried out. Four of the principal subsidiaries researched were manufacturing units within which

individuals were largely spatially located in close proximity to each other, especially on production lines. This physical proximity of individuals made ad hoc communication far more efficient than reliance on a formal information support system. The frequent necessity for immediate or almost immediate communication and the large number of small items of information that needed to be exchanged reinforced individuals' desires to transmit information as and when they saw fit. Finally, the technological and material resources available to individuals in order to facilitate communication were little better than vestigial, which only underlined still further employees' positive attitudes towards ad hoc communication.

* The Information Culture Type.

The information culture type of the case study organisation was found to be oral as opposed to written, with the vast majority of organisational information communicated by word of mouth. Of the other information characteristics this trait was most closely related to the organisation's proclivity for ad hoc communication. Looked at from the vantage point of the thesis's empirical analysis of the organisation's culture the relative informality of a telephone call or casual face-to-face meeting where information exchange is inevitably predominantly oral has an obvious cultural correlate. Underscoring the organisation's tendency to transmit information internally by word of mouth were its democratic and participative beliefs. That is, a participative democracy is much easier to run when individuals' ideas and opinions can be exchanged orally than when they have to be written down. Lastly, that so many individuals were prepared to communicate orally, rather than insist that everything that required action should be written so that there existed a permanent record, could only have occurred in a culture where employees had considerable trust and confidence in each others abilities and motives.

Reference to three major variables other than culture is required here to supplement this interpretation. Possibly the most important of these was the nature of the work activity being conducted within the

organisation. The company was fundamentally a manufacturing entity and most people were employed on the production floors of the principal subsidiaries. In order to facilitate a smooth, efficient manufacturing process many small items of information had to be transmitted up and down the management hierarchy very quickly. There was thus little opportunity for information to be written down, and indeed to have done so would almost certainly have been dysfunctional in the vast majority of cases due to the time and opportunity costs that would have had to have been incurred. The second major activity of the company was selling, and this again is a function that relies heavily on a minimal amount of written information relative to that communicated by word of mouth. While the finance function did require far more information to be communicated in written form very few people were employed group-wide in finance departments. The other important factors here were the poor formal systems for information exchange which often meant that oral communication was not only the quickest and easiest means of information transmission, but the most certain. And, as has been mentioned above, this fact was not only a manifestation of cultural prejudice, but a reflection of the paucity of financial and material resources available to the organisation.

* Informal communications.

The generally informal nature of Group life had been translated into attitudes to communication which positively encouraged a luxurious informal communications network. While the nature of the study precludes a reliable estimate of the amount of the total organisational information communicated by means of the grapevine, it was apparent that it was not inconsiderable. Moreover, while the quality and reliability of information communicated informally was deemed to be highly questionable by respondents it was nevertheless true that many senior managers (up to and including the chairman) valued it. The utility of informal communications was at least two-fold: first, it was a channel from which useful information concerning potential 'people problems' could be derived; and second, the judicious disclosure of information into the network could transform

it into a management tool for the manipulation and control of others. In fact, so pervasive and extensive was the Group (and various subsidiary) grapevine(s) and so prevalent the information adhococracy that in some subsidiaries (and especially subsidiary 2) it was difficult to distinguish between bona fide management information on the one hand, and rumour, speculation and hearsay on the other.

The prominence of informal communication within the organisation is to some extent explicable in terms of the other information variables discussed in this section. Thus, the lack of a well developed M.I.S., the preference for oral information exchange, and the expressed desirability for face-to-face meetings all seem to have had an influence here. In addition, the extensive nature of informal communication was almost certainly symptomatic (and arguably a direct response) to the poor downward vertical communications evident within the Group. The Holdings Board communicated little information to its subsidiaries which in turn tended to disclose little information down the management hierarchy, while communication between management and the labour force was practically non-existent. Under conditions such as these where the majority of individuals were kept in relative ignorance, it is hardly surprising that informal networks and internal gatekeepers should develop. In sum, the informal communication network should be seen as an extension of the information adhococracy which characterised information exchange within the Group.

* Information consciousness.

While the extent to which an organisation is considered to be 'information conscious' will always require a judgement on the part of the researcher, it is a contention of this thesis that that judgement should be informed by a knowledge and understanding of an organisation's culture. The level of information consciousness within the Group was not high. The lack of value attributed to information was evident in terms of the absence of any central library facilities, the fact that no information professionals were employed, the limited resources devoted to collecting external information and the paucity

of the formal information systems. But most of all the low levels of information consciousness discovered within the Group were manifested in the beliefs, values and attitudes of the management team.

Historically, the Group had been a production-led organisation which required little external information, and its transformation into a marketing-led concern envisaged by some executives had yet to be realised. The devaluation of externally derived information was, therefore, less than surprising. A lack of professionalism resulting from a dearth of trained managers, a high degree of introspection and a general casualness of approach had also played their part in shaping and conditioning attitudes to information issues. Moreover, a rigid hierarchy had created an information-rich managerial elite which communicated downwards only the most essential operational information necessary for employees to perform their duties. The result was that the vast majority of shopfloor operatives were not only information-poor, but placed little value on information and had not been encouraged to become pro-active information-seekers. A noticeable lack of staff development and training programmes reinforced these problems, as many low ranking employees did not possess the information skills required to write intelligible memos or conduct worthwhile formal meetings. Superimposed on the management hierarchy was a framework of personal and political antagonisms which provided great scope for the deliberate withholding and distorting of information for individual and sectional advantage. In effect this represented a further devaluation of information as a utilisable resource within the Group.

The cultural change the Group was experiencing was reflected in changing beliefs and attitudes towards information and communication. There were plans to develop new and upgrade existing information systems, especially those which were or needed to be computer-based. At Company 1 more junior members of staff were being sent on training programmes, and at Companies 2 and 4 the problems of lack of training had at least been diagnosed. But old habits and values die hard, and in an internal environment in which 'fire-fighting' was still a major

feature of the working day of many managers information management was not generally seen as a priority.

10.3 The Strengths and Weaknesses of the Corporate Culture

The Group's culture had both strong and weak facets. Indicators of comparative weakness included the absence of specific slogans, the lack of definite company heroes, little obvious unique symbolic activity, rites or rituals and the fact that it did not possess many company-specific linguistic expressions. The absence of a clearly defined locus of corporate identification, buttressed by the Holdings Board's belief in the merits of highly autonomous subsidiary activity and the geographical dispersion of the company was a powerful catalyst of cultural disjuncture, accounting for the local variations in culture found in the subsidiaries. In addition, while there did exist one dominating story within the company it did not appear to play an integrative role; though it did serve to reinforce the conservative values shared by many individuals. The Group thus lacked many of the attributes generally associated with a strong and vibrant cultural life. The weakness of the Group culture was most graphically illustrated by Holdings Board uncertainty concerning the essence of the company image they wished to project and 'mission' they sought to pursue:

"When it actually comes to the sharp end of the business I think we're still actually scratching around for what we are best at. I think we now recognise that first and foremost we're a 'Alpha' company - that [the Group] means 'Alpha' and 'Alpha' means [the Group]. But in terms of making that more generally applicable, you know, what does that mean?.... We kind of make noises about quality as a way of really identifying it as a banner for the company...."
(Non Executive Director², p.18, no.66).

However, the Group did possess a recognisable corporate culture replete with common beliefs and values (clustered around its

'personnel orientation') and symbols of identification of loyalty (in the form of company products and logos). The company was considered to have a long and distinguished history and employed many long-serving individuals who held the Group in high esteem and were extremely loyal to it. Moreover, the Holdings Board directors were familiar with the basic notions of corporate culture and sympathetic towards its encouragement and development. Hence while the culture was not in the same mould as that at I.B.M. (Deal & Kennedy, 1982) it was a significant organisational characteristic and exercised considerable influence over its strategic decisions:

"We have come across a company that basically we would like to have acquired. The financial figures were fine. The area of the business it was in was O.K. and yet basically it had a culture that was totally different from ours and thus [we] felt that it wouldn't 'fit' into the business; so the information coming from it would have produced a 'yes, go ahead' result, the culture from our business produced a 'no, don't go ahead'."

(Development Director, p.23, no.62).

"Having manufacturing companies in such distant realms [Australia] is difficult; you can't put the right sort of time in. The other thing that's important in terms of our Group philosophy too is that you can't make them feel part of your team."

(Chairman & Chief Executive, p.9, no.37).

10.4 The Holdings Board's Attempts to Control Culture

The authority and resources available to the Holdings Board placed it in an ideal position to manage and shape the Group's culture. While its unselfconscious impact on the cultural life of the organisation is not in doubt, (the restructuring, the acquisitions policy, its methods of handling the subsidiaries etc. are testament to this), the extent to which the Holdings Board consciously manipulated culture for its own ends was less than clear. On the one hand the Chairman asserted:

"There are very few things which are centralised - emotive things, and style and culture is also attempted to be established from the centre."

(Chairman & Chief Executive, p.19, no.47).

And on the other, the Group Finance Director maintained a contrary position:

Q: "Is there any informal consciousness which the Group possesses as a whole?"

A: "Not that is clearly identified as a strategy that we wish to put forward." (Group Finance Director, p.19, no.17).

The Holdings Board did not have a particularly sophisticated appreciation of the concept of 'culture' and possessed no coherent set of cultural objectives or plan for achieving them. It did have specific ambitions to engender change in the organisation, both in terms of its internal structure and the values, perceptions and loyalties of individuals, but these were not interpreted in a cultural light. For instance, it was recognised that Company 1 and Company 3 identified with each other to the extent that the best interests of the Group were, arguably, not being served:

"Company 1 still regards Company 3 as its export arm, which to some extent it is - it's a thing we're trying to break."

(Non Executive Director², p.11, no.5).

But the problem itself was not considered to be one in which culture played a role and the changes in beliefs and attitudes that the Holdings Board wished to initiate were not seen to represent a modification in that area of Group culture.

10.5 Forces for Cultural Stability and Change

In one sense the culture of the Group was perceived to be relatively stable and unlikely to undergo any dramatic changes in the foreseeable

future. The personnel orientation, democratic norms and traditionalist ethos were so much part of the psyche of the organisation that it was difficult to imagine their disappearance - in the short-term at least. Other features of the culture, such as its casualness and lack of professionalism were more prone to change in response to restructuring, the threat of takeover and an increased tendency to bring in experienced individuals from outside the company. There were, though, two principal potential catalysts of change acting on the Group's culture: generational change and a rapidly altering business context.

Generational change was, within the next ten years, set to have a major impact on Company 1 and to a lesser extent on Company 2, where large coterries of middle and senior managers in their mid fifties were due to reach retirement age:

"I would say it's an older organisation. It's now becoming more youthful in a lot of key areas, there's been a whole spate of retirements. Take the company you were just interviewing [Company 1], that's probably the oldest in the sense that you've got a bunch of people there in their middle fifties that are all going to retire in the next 2,3,4,5 years. That will have a dramatic change on Company 1.... - that changes the character of the company."
(Non Executive Director¹, p.14, no.99).

Whether generational succession will in fact lead to the domination of substantially different beliefs and attitudes is unpredictable, and largely depends on the Holdings Board's policy towards finding their replacements. However, given that the Holdings Board is itself committed to the central tenets of the organisational culture, it is unlikely that managers with ideas and ideals incompatible with their own will be appointed. The only alterations that might be induced by succession are those which one would associate with the experienced and educated people the Board may be expected to bring in. Professional values may well be strengthened, the degree of

informality permitted may become less, and the introspective nature of the Group should be transformed into a keener awareness of the external world as an increasingly marketing-led approach to business is taken.

The influence of the environment on the culture of the Group was equally uncertain. An increasingly complex and demanding world would seem to demand a less personnel oriented culture in which loyalty is a less valued characteristic than professional competence and a relaxed workplace gives way to an increasingly frenetic pace of activity. In addition, increased competition may be expected to facilitate the Group's conversion to a more marketing-led strategy. These are, however, only speculative points; the history of British industry is littered with examples of businesses which either refused or were unable to modify in order to meet the challenges of changing circumstances. The essential point here is that the culture of an organisation is shaped by its environment, and as the sugar confectionery industry modernises so it can be expected demand changes from the Group under study if it is to survive and prosper.

CHAPTER ELEVEN

Information, Communication, Decision Making and Culture

"The differing cultures of the organisations interpret or structure the problems in different ways; they weigh the solution criteria differently and thus almost guarantee the development of different solutions."

(Allen, 1977, p.138).

11.1 Introduction

The objective of this chapter is to examine the utility of the concept of 'culture' for understanding organisational behaviour with particular reference to the information and communication dimension of commercial decision making processes. Similar studies purporting to demonstrate the value of culture to the understanding of organisational competitiveness (Whipp, Rosenfeld & Pettigrew, 1989), innovation (Feldman, 1985) and strategic fit (Scholz, 1987) among others, have already been conducted. The chapter provides an account of a project conducted by the Group through one of its principal subsidiaries, Company 2. Two aspects of the project are explored in detail: first, the major decisions taken, and second, the information/communication activities which supported the decision making processes and facilitated the project's successful evolution. These are themselves subjected to analysis within the framework of the cultural perspective outlined in Chapter 3. The chapter is divided into two sections, the first provides a serial history of the project, while the second highlights the information, communication and cultural dimension of the project. For the purposes of analysis each section is sub-divided into eight semi-discrete phases. Fundamentally, it is hoped to demonstrate the value of a cultural interpretation of organisational behaviour in general and decisional and information/communication activities and processes in particular.

11.2 Anatomy of the Project

11.3 Phase 1

In November 1985 the Group acquired the goodwill, stocks and shares of Subsidiary 2 from Company R. This mutually beneficial transaction inspired the idea of regular six-monthly meetings between senior Company R. and Group personnel. Furthermore, the Group made it clear to Company R. that they would be interested in any future commercial opportunities that Company R. did not feel able to take advantage of itself. In September 1986 Company R. acquired a major U.S. sugar confectionery and snacks food company based in St. Louis, Missouri, called S.Inc. Seven months later on 29.4.87, at one of the six monthly meetings, it invited the Group to put forward a proposal to manufacture, market and sell their S.Inc sugar confectionery range in the U.K.. This was the date of conception for what in this thesis will be referred to as Project W.

Overall responsibility for the project on behalf of the Group was delegated to the development director. Recognising that he suffered from a dearth of information he obtained a price list from S.Inc. and samples of its product range together with more general information concerning the U.S. confectionery market from Company 6, a minor U.S.-based subsidiary of the Group. Further information was gleaned by the development director from a number of American confectionery journals. This information raised a plethora of issues and observations for the Group which informed these early discussions. One important feature of the S.Inc range that will be discussed later was the unusual, off-beat nature of the products, their packaging and their names.

There were three live options for handling the project within the group. First, Company 2 could be permitted to manufacture and sell the S.Inc range; second, Company 1 could be permitted to manufacture and sell the confectionery range; and third, either Company 1 or Company 2 could manufacture the products which would then be sold by a

new salesforce under the name 'Group Food Brokers Ltd'. The route through which the Holdings Board channelled the S.Inc opportunity was obviously going to have a major impact on the structure and future development of the project, and was likely to have a significant impact on the chosen subsidiary and even the nature of the Group itself.

Options 2 and 3 were very quickly discarded, and the project was run through Company 2. According to the development director:

"...from the 13th of May onwards I had really fitted that bit of the jigsaw together and said that that the sales and distribution will be through [Company 2]"

This information was quite deliberately not imparted to Company 2, at which an elite trio had begun work on the project in an almost 'conspiratorial' style. Unsurprisingly there were some unfortunate consequences of this obsession with secrecy: some senior and middle managers felt marginalised within the organisation and some of the initial estimates for costs were considerably off target. Moreover, when information was given out it was done so piecemeal (and often late) which added to the sense of semi-controlled impulsion and sometimes even confusion over what was happening, which betroubled the project.

11.4 Phase 2

Two weeks into the project the principal actors both at the Holdings Board and at Company 2 envisaged building up a family of products carefully selected from the S.Inc. range with price points at 5p, 10p, 15p and 20p. The only real alternative to this strategy was to promote a single product. There were three major reasons why the former strategy was favoured: first, launching a single new brand into the U.K. confectionery market was known to be difficult and expensive; second, launching a family of products diminished the risk factor involved quite considerably; after all, the one product chosen might

flop, but of half a dozen products chosen some might reasonably be expected to succeed. And third, umbrella advertising of the range, most probably under the trade name ('W.W.') the Group thought it was purchasing with the products, was recognised as a cheap but effective means of marketing the products.

Company 2 commissioned an advertising agency which was requested to devise a strategy for investigating the potential of the S.Inc. range. At about this time the full commercial/strategic impact the project could have for the company was becoming apparent to Subsidiary 2. According to a discussion paper written by the company's marketing manager while the S.Inc. range had to be fully researched its potential was enormous and correctly managed 'could revolutionise Company 2 into a major confectionery force'.

It was suggested that within a 2/3 month time scale the market size should be evaluated, its prospects over the next 3,5 and 10 years gauged, the possible 'life cycle' of the product should be considered (is it going to be a fad or long lasting product), work should be done to determine the age profile for the product range, taste acceptability, competitor activity, child awareness of W.W., the appeal of the pack design, the optimum price of the products and how the products should be distributed throughout the trade (would the products be sold through wholesalers, supermarkets, C.T.N.'s, etc.). On the basis of answers to these questions a second stage of research would be conducted over 4-6 weeks to determine how best to market the products. Even at this early stage the possibility of using T.V. advertising to support the range was also under consideration. This was an important document as it set the agenda for the market research activity that was conducted over the succeeding months.

At the same time as this project was being conducted Company 2 was considering making a considerable investment in new computer technology. The perceived advantages of the planned new computer system were that it would be able to handle more customer invoices, would be superior in terms of its sales ledger capacity, and would

provide a more efficient stock control system. Investment in new technology at Company 2 was symptomatic of the Holdings Board's intention to enhance the status of the subsidiary within the Group and a sine qua non for the further expansion of the Company 2 operation within the sugar confectionery market.

On 11.6.87 the same senior personnel from the Group and Company R. met to discuss S.Inc. for a second time. Company R. were sufficiently impressed with the outline Group proposal to agree that they should proceed with their plans to commission market research. It was also decided at this meeting that from now on the Group should negotiate direct with the President of S.Inc, to which on Monday the 6th July the development director departed for St. Louis in the U.S.. where preliminary negotiations with S.Inc. concerning the possibility of a licensing agreement were conducted. He also seized the opportunity to collect more marketing and technical information from S.Inc..

11.5 Phase 3

On his return from the U.S. the development director began sorting out the large quantity of information he had gained from S.Inc.. The most plausible option for the Group still appeared to be to develop a range of products at 10p, 15p, 20p and 25p. Working on the assumption that the Group would sell \$12 million worth of goods the development director calculated, on the basis of information he had gleaned from his U.S. visit and his own knowledge of the U.K. market, that the venture would be commercially viable for the Group only if it was manufacturing the products itself.

The essential problem was that factoring the products in from the U.S. was so expensive that the Group's margin of profit on the goods they sold in the U.K. would be too small to justify full marketing support. The development director therefore developed a two-stage strategy whereby the products were bought-in from the U.S. in the first year of operation and provided with test marketing support at a small loss to the Group. Assuming this phase of the project was a success capital

expenditure would be authorised incrementally in order of profitability by product and by actual expansion of sales volume (rather than estimates). This plan had a number of perceived advantages: it minimised the capital expenditure risks by buying rather than making the products initially, it allowed for an expensive marketing/advertising campaign, and it gave the Group an opportunity to gauge the probable value of the range to them before any additional costs were incurred.

On the afternoon of 28th July the managing director, sales director, marketing manager and development director attended an agency debrief meeting at which the results of the first phase of the research that Company 2 had commissioned from the Childrens' Research Unit (C.R.U.) through their advertising agency were presented to them. The report suggested that 'there was certainly considerable interest in the new products', but added the rider that 'it is difficult to accurately assess reactions to many of the parameters owing to the number of products and the inconsistencies between packs'. In general terms the research provided a vast amount of information concerning the acceptability of prices, flavours, product descriptions and the packaging etc..

A number of interesting points can be derived from the document. The original assumption that the S.Inc. products had appeal as a range rather than individually had been undermined by the C.W.A. research which found that Beta was the only U.S.P. (Unique Selling Point) of the range. Similarly, the initial assumption that the packs possessed a number of positive U.S.P.'s was difficult to sustain in the light of the C.W.A. conclusion that the packs researched rather poorly. Further, the requirement that the products had a teenage market with an additional element of adult purchase for children was now found to be highly dubious given the C.W.A.'s finding that the products were solely of the child self-purchase type and that the range was not sufficiently strong to compete with chocolate countlines in the early teens' market. This meant that the assumption that the greatest

percentage of sales would be through grocery outlets with C.T.N.'s and wholesale outlets being of secondary importance was now questionable. Thus nearly three months after Company 2 had become acquainted with the project the C.W.A. research had cast doubts on the validity of almost all of Company 2's most significant assumptions. The development director later noted that:

"If the product range had been less exciting but still desirable, this particular piece of research might have killed it, because we might have been less confident about going again with another £5,000 worth (of research)."

On the following two days, 29/30.7.87, the marketing manager and the Company 2 buyer and packing specialist met with a trading standards officer, to discuss the legality of the packs of a dozen S.Inc. products. The function of a trading standards officer is to offer advice concerning (and enforce) the Food Labelling and Descriptions Regulations of 1984. These meetings provided a great deal of valuable information which was later used in developing the pack-graphics for Beta. It was discovered, for example, that the American product did not need to have a 'best before' date stamped on it if it had a shelf life in excess of 12 months or contained a 'significant' amount of sugar (both of which applied to Beta).

11.6 Phase 4

Despite the down-beat conclusions of the C.R.U. it was decided to go ahead with the second phase of the market research, which was commissioned from Cox Williams Associates Ltd (C.W.A.). The results of the C.W.A. research (which were far more positive than the first report) were presented to the managing director, marketing manager, sales director and development director on 18.9.87. According to the marketing manager this was the 'most important piece of research'. It was on the basis of this research:

"...that the decision to go ahead was made, and on that that it was 'Beta' only, and on that that we fought for a 20p price point'."

The results were not universally welcomed by Company 2. While the fact that Beta (and another product called 'Zeta') had researched well was pleasing, less well received was the news that the products were of the child self-purchase type. It should be borne in mind that the Company 2 salesforce was not C.T.N. oriented and that consequently if the products were thought to require a C.T.N. route then Company 2 could lose the opportunity to sell them via its own salesforce. This was a possibility that Company 2, who were keen to maximise the potential gain to themselves, obviously wished to avoid. So disappointing was this information that Company 2 solaced their chagrin by seeking further and contrary evidence to support their hope that there would be an element of adult purchase for children. That none of the other findings of the C.W.A. research were subjected to such a vigorous campaign of repudiation may well be symptomatic of Company 2's perception that a sales route through Group Food Broker's or Company 1 was a live possibility.

The C.W.A. research was the final catalysing agent which caused the idea of launching a family of related products marketed under an umbrella name to be discarded in favour of concentrating on a single product, Beta. Hence, by 21.9.87 marketing manager could write in a memo to the managing director that:

"Project W has now evolved from the original concept of some 5 major and 10 minor products selling 60% of their volume through supermarket outlets, to one initial product, Beta, with flavour variants, distributed primarily to C.T.N. outlets'.

11.7 Phase 5

With the product and the subsidiary through which it was to be channelled decided upon the Holdings Board were keen that Beta should be test marketed in two regions, one with and the other without T.V. support. A great deal of work was done by the agency collecting information concerning the population and distribution profile of the Y.T.V. region and generating a potential sales matrix that evaluated various hypothetical market penetrations and two levels of repeat purchase. The agency also presented outline marketing costs for the proposed T.V.-led test market programme which was to commence in April 1988 within the Y.T.V. region and be rolled out to Tyne Tees, Granada, Central Scotland and Central T.V. regions if successful. A number of other issues were discussed at this and successive Company 2-agency meetings, such as the establishment of brand positioning and personality, umbrella branding and the possibility of marketing the product as possessing no artificial colourings and additives.

The major issues as they were then perceived by the senior management of Company 2 concerned:

- * the product - ingredients, keeping conditions, the possibility of using natural colours and flavours, and the best before date.
- * the carton - the bar code, ingredients declaration, its legality, the graphics, among others.
- * the display outer - its configuration, the graphics for it etc.
- * the point of sale (P.O.S.) material.
- * the promotional activities scheduled to accompany the launch - how should Beta be launched so as to avoid it being a 'fad'.
- * the product's image - especially brand positioning.
- * the price point - still to be officially finalised.
- * the advertising - a host of questions concerning the T.V. strategy to be pursued.
- * the launch - there were still many details to be finalised relating to the amount of product required and how key buyers should be handled.

* the shipping of Beta from the U.S. - shipping/customs clearance, weight and dimensions of freight, classification and schedule.

This gives us as information scientists a feel for the scale of the information-collation processes that were going on.

The agency was requested to reconsider how the product was to be branded. It was at this meeting that a difference of opinion between Company 2 and the agency emerged. The marketing manager expressed concern that the T.V.C. concept that had been presented could limit the appeal of the product to an inordinately young age group and requested the agency to produce a Beta character that would appeal to a 7-15 year age span. This was, in the words of the agency, 'a significant departure from the original age-range of 6-12 year olds'. That the agency was unaware of Company 2's interest in courting a significantly older age group, indicates an information gap that should perhaps have been closed at an earlier date.

The difficulties involved in deciding which flavours of Beta should be launched proved insoluble without the benefit of further research (known as the 'Hall Tests') which were conducted on the weekend of 17/18.10.87. At the following meeting the advertising agency presented four alternative T.V.C. concepts and scripts based on the positioning statement of 'Too much flavour for just one sweet' of which two were selected for research purposes.

11.8 Phase 6

The C.W.A. research had suggested that one reason why Beta was not well thought of by parents was that it was perceived to be an unhealthy food. The use of natural colours and flavours, it was thought, might increase the likelihood of parents purchasing the product for their children. S.Inc were thus asked to provide costings for Beta using natural colours and flavours. However, the information received back from the States indicated this to be cost prohibitive, and these tentative plans were dropped. At this time further

information was sought by Company 2 concerning the services that were required to support a major sugar confectionery brand. It was thought that Beta could be as big a brand as Company 1's Epsilon, and the development director gained information from Company 1 for sales of Epsilon and the cost of trade support activities.

Meanwhile the development director and managing director of Company 2 had flown out to the U.S.A. on 2.11.87. The prime object of the visit from the managing director's point of view was to look more closely at the technical details of producing Beta. He had in fact been given a list of engineering and production related questions compiled by his production director, chief engineer and project engineer to which Company 2 required answers before the costings could be prepared for the 'Beta Proposal' document which was to be presented to the Holdings Board later that month. Much of this information was phoned back by the M.D. during his visit, and the chief chemist, production director and project engineer used this information to begin their work immediately. Importantly, no technical problems were discovered during this trip, which helped generate a great deal of enthusiasm for the project. Towards the end of November more exact information concerning capital costs were sent from the U.S., through less than perfect lines of communication.

On 16.11.87 the M.D. and marketing manager attended a further meeting at the advertising agency. At this meeting the results from the group discussions covering the Beta T.V.C. animatics and pack designs which had been conducted by the Hallam Associates Development Research and Consultancy agency were discussed. The results strongly suggested that one of the animatics and one pack design should be used in preference to the others.

At a special joint Holdings Board/Company 2 Board Meeting held at Group House on 19.11.87 the subsidiary team presented a 'Beta Proposal' document to the Group directors. This was an extremely important meeting at which approval for the subsidiary to undertake the first stage of the project was granted. The proposal document

itself consisted of a detailed overview of the strategic importance of the project and how Company 2 intended to handle it, and merits our further attention. While Company 2 had identified Beta as its potential flagship brand it recognised that the support framework of the company was not adequate to fully exploit the profit opportunity presented by the project. The subsidiary team perceived three capital projects to be necessary before the 'Beta Project' could be handled satisfactorily, namely, the installation of a new computer system (£110,000), the construction of a new administration block (£335,000) and the building of a new warehouse (£675,000). The capital investment required for the 'Beta Project' itself was additionally estimated at £750,000. Despite the uncertainties and the 'guesstimate' nature of many of the forecasts the project was considered sufficiently promising for the Holdings Board to sanction expenditure on the first stage of the launch. No firm decisions were taken regarding the capital expenditure.

The difficulties involved in collating and determining all the information necessary to facilitate the production of the Beta carton in the U.S.A. were considerable. As late as 9.12.87 Company 2 faxed a query to S.Inc. concerning the red colouring, and it was not until 15.12.87 that Company 2 were certain they had a correct list of all the colours to be used, i.e. the same day the artwork was despatched to the U.S..

From late November onwards a great deal of time and energy was devoted by the company secretary to finalising the form the licensing agreement between Company R. and the Group was to take, and legal issues concerning the Beta carton. An equally important consideration at this stage was the question of trade mark protection to protect the uniqueness of the Beta carton. The carton design had not been patented in the U.K. and the company solicitor was involved in considerable work on this issue before it was resolved satisfactorily.

11.9 Phase 7

On the last day of 1987 Company 2 received an invoice from the advertising agency for £18,164 in respect of the six T.V.C. concepts they had developed. This caused shock waves to reverberate through Company 2 who had budgeted for an expenditure of circa £4,000. This problem had yet to be obviated when the period of data collection came to an end. However, the incident does illustrate just how loose the procedures governing the authorisation of expenditure of the agency had been and highlighted the obvious need for the system of costs approval to be tightened up.

Against the backdrop of this dispute normal Company 2 - advertising agency liaison work had to be conducted if the launch was to go ahead on time. In several meetings with agency personnel in late January the marketing manager and sales director discussed a variety of issues key to the success of the project such as trade press advertisements, the 'sales presenter' for use by salesmen, direct mail and the role of promotional and point of sales items, all of which were being developed in conjunction with the agency. Each of these on-going activities required decisions on the amount of money to be spent and the appropriateness of various alternatives.

Meanwhile a change in philosophy at Company 2 had begun to translate itself into resistance to the idea of building a warehouse. The M.D. of Company 2 was particularly keen to increase the productive capacity of the plant, and sensed that Project W presented the appropriate opportunity to approach the Holdings Board on this matter. On 20.1.88 his instincts were proved correct, and at a Company 2 Board Meeting capital expenditure proposals for both the computer system and a manufacturing unit were approved.

By the date of the next Holdings Board meeting on 8.3.88 the royalty/licensing agreement had been fully executed. However, not all the difficulties associated with it had been resolved. Thus, while preparations for the launch were continuing a problem arose concerning

the trade name 'Beta'. The development director had discovered that the world-wide rights to the name Beta had been assigned by S.Inc. to a company called A.M.I., of New York, who in turn had granted a licence to D.PL of Nutley, East Sussex in respect of the U.K.. Fortunately, after several meetings with D.PL the Group satisfied themselves that this need give them no cause to worry. What the incident illustrates is that even after eleven months of careful planning and negotiation new salient items of information were still being uncovered.

The next potential difficulty to be resolved was that of Company H. Quite early on Company H. had been discovered to be selling Beta in the U.K. by the staff at Company 2 who recognised the name on a product listing of sugar confectionery available in Britain. This revelation caused alarm bells to sound within the Group who had believed that S.Inc. products were not being sold in the U.K.. A number of meetings with Company H were required before Company 2 felt confident that its operation posed neither a threat nor an opportunity to the project. S.Inc. were requested to cease supplying Company H with Beta, and no further action was deemed necessary.

11.10 Phase 8

If Beta were to be manufactured in the U.K. at Company 2 then a vast amount of technical knowledge had to be ascertained from S.Inc., and orders for some of the equipment placed well in advance of the desired domestic production start-up date. It was, therefore, decided to send the project engineer and chief chemist to S.Inc in the U.S.. It should be noted that as U.K. production was supposed to commence in February 1989 to ensure that sales targets were met this meant placing orders for equipment by the end of 1988, i.e. making a hefty capital investment before the true level of sales were known.

During their visit it was decided that Company 2 would approach the appropriate suppliers of equipment directly (rather than rely on

S.Inc.) The project engineer gained valuable information concerning the services (air, steam and electricity), maintenance, manpower and so forth, that were necessary to manufacture Beta. The quality of the information the project engineer managed to obtain is testament to S.Inc.'s preparation in response to the questions that had been faxed to them in advance of their visit, and general cooperative stance. The chief chemist observed four production cycles noting problems with quality control, re-work and wastage. He discovered that the success of the Beta manufacturing process was dependent on the judgement of the shopfloor operatives who had to take a number of important decisions concerning when raw materials were added together.

Between them the project engineer and chief chemist gathered a vast amount of information crucial to the success of the 'Beta Project'. Both men commented on the exceptional candour of the S.Inc. team in explaining the techniques and problems associated with the production of Beta, and this openness on the part of S.Inc. seems to have played a major role in facilitating the smooth-running of the project. For example, when a shaft fractured during a nightshift the project engineer and chief chemist were called in to see it and discuss its potential safety implications rather than kept in ignorance of the occurrence. The main conclusion of their final report was that:

"Although the techniques involved in dextrose panning differ from conventional sucrose panning in a number of areas, with a system of good process controls and an effective operator/maintenance training plan, no difficulties should be encountered.

Back in England the chief chemist now used the comprehensive product specifications he had obtained from S.Inc. to find matching colours and flavours offered by companies this side of the Atlantic. Fortunately all the colours used in the manufacture of Beta were made by U.S. companies represented in the U.K.. The flavours were slightly more problematic and had to be shipped to S.Inc. for testing. Similarly the project engineer was now able to finalise contracts for

the requisite capital equipment. Attempting to ensure that Company 2 attained the best financial and equipment deal possible, and that the items reached Company 2 at the appropriate time was the concern of the project engineer. This involved the project engineer in a considerable information gathering, processing and evaluation exercise, with each company's offer being subject to comparison with the others and the original specification. The project engineer was required to be highly interactive with the external business environment, seeking discounts, resolving ambiguities in the suppliers communications of what they could offer (especially where a company had its own standards of manufacture) and later, physically checking on the progress of the items ordered.

By late May the pre-sell campaign had been found to have been a tremendous success. The product was out of stock almost everywhere, and it was obvious that sales forecasts had been wildly inaccurate. Sales, expressed as N.S.V., for the period 1988/9 were now forecast to be 280% of the original plan and 155% of the original 1989/90 projection.

While the initial launch of Beta had been a tremendous success the product had of course been shipped in from the U.S.. Company 2 had now to complete the factory, install the equipment and organise suppliers for the ingredients and packing in readiness to begin production of Beta in February of 1989. During mid-July the buyer began contacting suppliers of packaging materials, and soon established two acceptable supply routes. The most essential ingredient of all, the sugar proved more problematic. In November 1987 the development director and managing director of Company 2 had taken over a small amount of Belgian No.2 sugar (to S.Inc.) which was confirmed as being acceptable by the laboratory technicians subject to a production test for which a much larger quantity was required. Due to an oversight this sugar had never been sent by Company 2. Having discovered this on 3.8.88 the finance director was understandably keen to have the requisite amount of the sugar shipped out as soon as was practical so that a batch of Beta could be manufactured. The

development director suggested that this failure to send the sugar to the U.S. was the result of a failure in communications at Company 2. In short, he felt that there had been a handover problem that was yet to be fully resolved.

At this stage a regional T.V. test advertising campaign in order to gauge the incremental effect of the advert was still favoured. Later, the planned national T.V. launch was refined into a T.V.-A.M. campaign at a cost of £850,000., and the T.V. test campaign was never conducted as confidence in the product soared. But, at this admittedly early stage, not all the company's initial hopes had been fulfilled. Most notably the hoped for increase in other Company 2 business consequent of Beta had not yet materialised. It was thought that this may be attributable to the fact that the product had been off sale due to shortage of supply. In addition, in 1989/90 Company 2 had calculated that the strength of the brand and the planned T.V. campaign would allow them to hold the trade margin to 28%. However, discussions with the company's major customers revealed that this was totally unachievable and consequently, the margin had to be increased to 30.5%.

Moreover, although sales of Beta had surpassed all forecasts the costing of the project had proven unduly optimistic. Thus the financing costs increased for 1989/90 from £65,000 to £200,000. This was because the financing costs associated with the new factory building had not originally been included, and nor had allowance been made for the financing costs of bought-in product from S.Inc.. Furthermore, the forecast for capital investment costs had risen by circa £270,000. Since the original plans had been approved alterations had had to have been made to the building as a result of further technical information available from S.Inc.. In addition, the original cost of equipment had been under-estimated by £110,000 and as the projected volumes were now 59% higher than in the original plan extra panning equipment at a cost of £200,000 had to be budgeted for. Nevertheless, as the period of data collection came to an end confidence in and enthusiasm for Beta had reached Olympian heights.

CHAPTER TWELVE

A CULTURAL APPROACH TO UNDERSTANDING ORGANISATIONAL BEHAVIOUR: ANALYSIS

12.1 Introduction

The preceding account of Project W deliberately focused on the major decisions and information/communication support activities which underpinned them. The following analysis seeks to provide an interpretation of this piece of organisational behaviour from a cultural perspective. Fundamentally it is hoped to demonstrate the value of a cultural interpretation of organisational behaviour in general and decisional and information/communication activities and processes in particular. For the purposes of exposition the events are considered in the same arbitrary time phases as the above description.

A simple model of the inter-relationships between culture, information/communication and decision making which are here under scrutiny is given in figure 4. This process model illustrates the basic point that these elements of organisational life are mutually inter-causal. There are obviously many other aspects of organisational life that need to be taken into account when explaining organisational behaviour, but these are tangential to the concerns of this chapter. These factors are, nevertheless significant, and an expanded version of this model which takes into account the lessons of Project W is provided in Chapter 13.

12.2 Phase 1

Phase 1 involved the Group in two extremely important decisions: first, whether to discard or take seriously the S.Inc opportunity, and second, through which subsidiary the project should be channelled. Both decisions are susceptible to a cultural interpretation:

Culture, Information, Communication and Decision Making

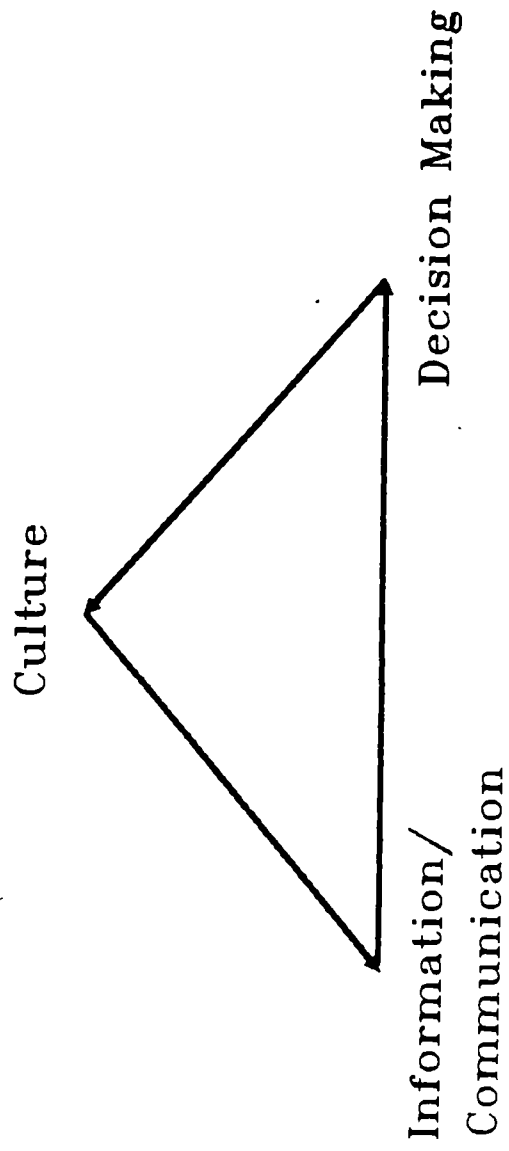


Fig.4

* the cultural attraction of the S.Inc. opportunity.

- 1 The Group was attracted by the high quality of the S.Inc. product range. The Group saw its future as a specialist in high quality branded products, and there was, therefore, cultural empathy with the products themselves.
- 2 The Group wished to foster increasingly cordial relations with Company R., and this motivation provided a strong incentive to investigate the opportunity thoroughly, *rather than discard* it out of hand as so many potential projects had been. This desire for friendly and cooperative relations with Company R. stemmed in part from a perception of the similarity in cultural values shared by the two companies as well as the economic benefits it might bring.
- 3 It was recognised that the Group did not have the resources (nor possibly the expertise) to develop radically different products with U.S.P.'s (Unique Selling Points) equivalent to the S.Inc. range, and that if the Group was to expand its product portfolio then novel ideas would have to be imported. This perception reflected a cultural belief that the Group should aim for organic growth in addition to growth through acquisition and instead of more conservative policies of retrenchment or streamlining of the business. It was also indicative of a realisation that while the Group intended itself to be marketing-led its scope for manoeuvre was very much constrained by the limitations imposed by its production function.
- 4) The growth objective was linked with the new confidence the Group had acquired since reviving the profitability of the organisation following the diversification problems of the late 970's. This belief in the Group's future and its continuing ability to manage successfully was a significant cultural trait of the Holdings Board team. Project W. seemed to offer an ideal opportunity only

because the Group was sufficiently confident to accept the risk involved.

- * the cultural influence on the decision to route the S.Inc. project through Company 2.

This took the form of 'reasons' against the two alternative strategies (involving Company 1 and G.F.B.) and in favour of Company 2:

- 1 The G.F.B. option, which involved the expenditure of large amounts of capital and was effectively the highest risk strategy, was never seriously considered. At this early stage in the project confidence levels had yet to build-up, and a corporate history chequered with major disasters inevitably circumscribed the Holdings Board's commercial vision.
- 2 In addition, according to the Chairman the Group's philosophy stated that the organisation's primary interest was in the manufacture of confectionery rather than its distribution, as indicated by the sale of its profitable distribution company in 1978. Comments such as these marked the furthest extent to which the Group was ever likely to become marketing-led.
- 3 This should have favoured the choice of Company 1. However, the recent history of tension and conflict between the Holdings Board and its largest subsidiary provided significant motivation for avoiding this route. There was a feeling within the Holdings Board that it would be a 'nice' thing if Company 2 could succeed in a major project, possibly to demonstrate to Company 1 that it was not the sole repository of commercial acumen within the Group. as the development director stated:

"In a world without anything else affecting you you would naturally go to Company 1.... One aspect of it was that we had taken a bit of flack from Company 1, having split Company 2 off in the first place, which all the wise owls down there thought was a totally wrong

thing to do. We thought it would be rather a nice thing if Company 2 could succeed with this project, Company 1 having refused it. We're a bit evil really...we play one off against the other.

- 4 The Holdings Board considered Company 1 to be culturally unreceptive to new ideas and unlikely to pursue the project with the enthusiasm it required, a perception that seemed to be justified by Company 1's actual response to the S.Inc. range when approached by the development director.
- 5 Company 1 was recognised to be highly bureaucratic and slow to respond to stimuli, largely because of its size, but also because of the cumbersome nature of its internal information and decision making systems and entrenched conservative attitudes. The Main Board wanted the project to succeed, and to do so quickly; there was an acute awareness that such opportunities are easily killed off, and to channel it through Company 1 seemed to be inviting disaster.
- 6 The Group's philosophy of making total organisational profitability less dependent on the performance of Company 1 (and Company 2 less dependent on Company 1, its single largest customer), by building-up and 'maturing' the other subsidiaries made the choice of Company 2 especially acceptable.
- 7 There was synergy between the 'zany' culture of Company 2 and the 'personality' of the product range. To some extent it was recognised that the persona of the range was malleable, but the names of the products (which were unalterable parameters according to the development director), restricted the room for manoeuvre quite considerably. This factor was not mentioned explicitly by those involved in the decision making process, but the possibility of its latent, contextual influence on the actual choice of Company 2 cannot be ignored.

8 Company 2 possessed a culture that prided itself on the speed with which it could react, - its comparatively small size, the pace of activity generally and the influence of an at times autocratic managing director, ensured this. The S.Inc. project was, therefore, thought more likely to succeed at Company 2 than Company 1.

During phase 1 of the project there were four significant communication acts and one major information gathering exercise.

* major communication acts

- 1 On 29.4.87 Company R. first articulated the possibility of selling the Group a licensing agreement for the S.Inc. range at one of the regular six-monthly meetings the two companies held.
- 2 On 6.5.87 and 13.5.87 the development director met with senior staff of Company 2 and discussed with them the potential of the S.Inc opportunity. The enthusiasm and commitment communicated by the staff of Company 2 was an influential factor in determining the route through which the products were eventually channelled.
- 3 That lack of communication can be as interesting as actual communication is demonstrated by the Holdings Board's decision not to directly inform Company 2 that it would almost certainly be allowed to exploit the S.Inc products. This fact is culturally significant, providing us with a further insight into the politics of the relationship between the Holdings Board and its subsidiaries. It seems that on occasions the Holdings Board deliberately withhold information concerning their intentions from their subsidiaries in order to encourage sibling rivalry, galvanise the subsidiaries into efficient and effective operation, and motivate them to take an active interest in the opportunities being offered to them. While it is unlikely that such intentions are framed openly, they were certainly a feature of the Group culture, and played a role in Project W insofar as

withholding this information from Company 2 ensured that it moved quickly to investigate the potential of the S.Inc. products.

* major information gathering events

- 1 Following the initial meeting between Company R. and the Group the development director engaged in an information collation exercise. His sources included S.Inc., a small Group-owned U.S. subsidiary and trade journals, from which he gleaned sufficient information to convince the Holdings Board that the project would be a profitable venture.

12.3 Phase 2

In phase 2 three major decisions were made: first, that a family of products should be launched; second, that the Holdings Board should, temporarily at least, retain control of the project (a decision that was made tacitly rather than formally); and third, that the Group should negotiate direct with S.Inc..

* the cultural influence on the decision to launch a family of products.

- 1 Despite evidence *from the U.S.* that product Beta considerably out-performed its peers there was little enthusiasm for launching a single product. The Group's assessment of the risk factors involved with launching a single new product meant, in effect, that this option was still culturally unacceptable. Further evidence of the likely performance of Beta was required before the higher risk strategy could be adopted. This said, the Group was ready to countenance a £2 million capital expenditure programme in order to manufacture the range in the U.K. and £1 million on a national T.V. advertising campaign. This was symptomatic of the Group's new found confidence in the future and its determination to exploit those commercial opportunities which seemed to it to be most attractive.

- * the historical and cultural reasons for the Holdings Board's determination to maintain its control over the project in these initial stages.

- 1 At this early stage in the project the Holdings Board were firmly in control of the proceedings; the fact that the development director had entered into negotiations with Company R. and the U.S. and had control of the purse strings for the funding of the necessary market research, guaranteed this. Interestingly the development director did not offer financial assistance until 'requested' by Company 2; the subsidiary's dependence on the Holdings Board was thus further emphasised. Such 'games' may be interpreted as moves in the Holdings Board's attempts to define its relationship with its subsidiaries and reflected its increasing assertiveness.

- 2 Moreover, while the Main Board had devolved much authority and decision making capability to the subsidiaries it was sensitive to the charge that it did not have a real role to perform. In a very real sense Project W was an opportunity for the Holdings Board to demonstrate its utility and commercial prowess to its subsidiaries.

- * the information/communication impact of Company R.'s decision to negotiate with the Group via S.Inc.

- 1 The importance of this decision for the success of the project should not be under-estimated. It determined that the context for inter-company communication and future decision making was to be trans-Atlantic. The only real alternative to this was for both the Group and S.Inc to channel information through Company R.'s U.K. head office. This would have allowed senior personnel at Company R. (U.K.) to maintain a tight hold on the project, but may also have led to severe time delays in communication and increased the opportunities for noise entering the communication

channel. Unsurprisingly, therefore, both S.Inc and the Group welcomed Company R.'s decentralised handling of the project.

There were three significant communication events in phase 2, and two important information gathering exercises.

* major communication events

- 1 On 13.5.87 Company 2 contacted an advertising agency which produced a report setting the agenda for all marketing related information seeking activity.
- 2 On 11.6.87 senior personnel from the Group and Company R. met for a second time. At this meeting the development director outlined how the Group planned to proceed with the project, and Company R. sanctioned the Group's plans to commission market research.
- 3 On 6.7.87 the development director visited S.Inc. and both companies set out their expectations concerning the project. The ground rules for the royalty agreement were also drawn up.

* major information gathering activities

- 1 On 14.5.87 the company secretary commissioned a trademark search on the W.W. name which the Group thought it was purchasing along with the confectionery products.
- 2 While in the U.S. the development director collected a wealth of information concerning prime costs (of raw materials, packaging materials and labour), manufacturing methods, packing machines, the importance of the W.W. trade name, the pattern of sales in the U.S., S.Inc.'s promotional activities, and so forth.

12.4 Phase 3

In phase 3 there were three culturally noteworthy events, including one major decision. First, the Holdings Board continued to apply pressure on Company 2 to react speedily; second, the need for the Group to grow without making expensive acquisitions was discussed; and third, the decision to commission more expensive market research was taken.

* Holdings Board pressure on Company 2

- 1 The development director continued to pressure Company 2 into speedy action on a number of important issues with his proposed timetable of activities. Whilst there was undoubtedly a perceived need for speed the development director's actions also served to reinforce the feeling that the Holdings Board was still essentially in command. Additionally, there was throughout the course of the project the feeling that the Holdings Board were 'testing' the metal of Company 2 and especially its senior staff. This intention is itself indicative of an organisational culture which was increasingly coming to value both individual managerial competence and subsidiary professionalism.

* the cultural importance of organic growth

- 1 The need to make Company 2 less dependent on Company 1 was specifically pointed out to the board of Company 2 by the chairman of the Group at a Company 2 Board Meeting. The cultural significance of this should not be overlooked: the staff of Company 2 were being constantly reminded of the Holdings Board's intentions to foster organic growth within the Group and were encouraged to see Project W as part of a more general process of organisational 'maturation'. This vision of an expanding Group was reflective of burgeoning confidence levels, especially among senior executives.

* the decision to commission more market research after the first report proved disappointing

1 Three months into the project the first market research report commissioned on the S.Inc. range had confounded many of the Group's initial hypotheses, yet the decision to conduct further research was never in doubt. Part of the reason for this was a certain lack of confidence in the quality of the market research itself. But it was the enthusiasm for the products (and especially Beta) felt by almost everyone concerned with the project that seems to have been the overriding factor guaranteeing its continuance. The root cause of this essentially emotional attachment to the project is difficult to locate with precision: it was to do with the fact that sufficient time had elapsed since the last major project had been tackled by the Group, that funds were available to realise whatever potential the products were eventually considered to possess, and that Company 2 was in many ways a favoured 'daughter' of the Holdings Board and needed a major product or product range to lessen its dependency on Company 1. At bottom one cannot escape the conviction that this was the right moment for an opportunity such as Project W to have emerged, and the Group were in no cultural/psychological state to kill it off on the basis of one piece of research.

During phase 3 of the project there were four significant communication events and one major information gathering exercise.

* major communication acts

1 On 14.7.87 the development director reported on his visit to S.Inc. and his current thinking concerning the project to a full Holdings Board meeting. He informed the board that while a low risk agreement could be entered into with Company R., specific

market research was in his opinion required to test which products would sell best in the U.K. and at what prices.

- 2 On 28.7.87 the results of the first phase of the market research commissioned by Company 2 were presented to them at an agency debrief meeting. Although the conclusions of the research were highly ambiguous and cast doubts on many of Company 2's initial hypotheses concerning the product range the report nevertheless generated a lot of enthusiasm.
- 3 On 30.7.87 the development director reported the disappointing findings of the market research to a full meeting of the Holdings Board. However, no one suggested that the project should be terminated, thus providing evidence that information was viewed and weighted selectively by the Group to support its own preconceptions (see sections 12.10.1 and 12.10.2).

* major information gathering events

- 1 On 29/30.7.87 the marketing manager and buyer of Company 2 met with a trading standards officer to discuss the legality of the packing of a dozen S.Inc. products. The American packs were found to require considerable modification to make them acceptable in this country. The information collected in these two days informed the process by which the English Beta pack was eventually devised.

12.5 Phase 4

In phase 4 the project became more obviously linked to other processes of organisational maturation, responsibility for the project was increasingly devolved to Company 2, and the decisions both to commission a further stage of market research and to launch just one product were made.

* cultural maturation and organic growth

- 1 Company 2 was a company in transition: a new building programme and investment in new computer-based information systems were creating (or about to create) a radically new working environment. Project W represented a further facet of this period of change which both reflected and enhanced the company's aspirations to become a more significant force in the sugar confectionery market. Coming to terms with the S.Inc. opportunity, planning its research and exploiting its potential composed stages in the broadening of the cultural horizons of the company.

* the devolution of power to Company 2

- 2 The locus of activity was increasingly switching to Company 2 and its senior management team, while the development director was beginning to assume the role of a colleague and adviser rather than 'project leader' - though his influence and through him the influence of the whole of the Holdings Board, was still very considerable.

* the decision to commission a second stage of market research

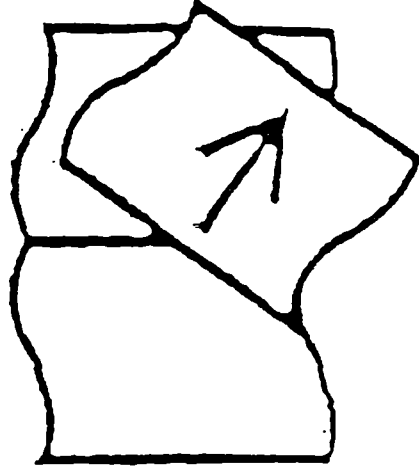
During phase 4 the decision to go ahead with a further stage of market research was made. Given the less than positive findings of the first market research report this decision reflected not only enthusiasm for the product range but a growing sense of confidence on the part of the Group.

* the decision to launch one product

- 3 A complete metamorphosis in the Group thinking concerning Project W had occurred by this stage. Whilst the launch of a range of products had been recommended as being the least risk strategy a single product launch was now favoured essentially on the grounds

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inaccurate sales picture for the U.K. had been extrapolated. Although many features were held responsible the fact that East Anglia was somewhat remote and that its geographical boundaries were ill-defined were considered key. The decision to launch Beta regionally in Y.T.V. which has a fairly finite and identifiable audience and an area the company knew well, (i.e. not taking the cheapest possible option) were significant variables only in the light of the Omicron experience. The idea of launching the product regionally in a second television area (Granada) but without T.V. support, was supposed to allow the Group to evaluate the sales value of television: after all, if T.V. coverage did not substantially increase sales the high costs associated with its use would not be justified. Understandably the high price of television advertising was a considerable source of worry for the Group, which had invested heavily in the marketing of Omicron.

- 1b A further aspect of the Omicron project which made the Holdings Board uneasy was that the proposed May 1988 launch of Beta would make use of product imported from the U.S.. Four years earlier Omicron had been factored in from Finland at the beginning of a 'Beta-style' project which was terminated prematurely when, inter alia, the exchange rate altered against them by 30% (for which they were not covered).

In phase 5 there was one important 'set' of communication acts and a series of vital information seeking activities.

* major communication acts

- 1 From late September onwards Company 2 was engaged in a continuous dialogue with its advertising agency. A vast array of marketing, sales and advertising questions remained unanswered, a series of small-scale decisions had to be made and a large amount of information collected. In order to accomplish this work a large

number of meetings were conducted, telephone calls made and faxes sent.

- 2 In mid-November problems in the quality of the communication relationship between the advertising agency (based in Leeds) and Company 2 (based in Pontefract) emerged. It became apparent that the advertising agency had been developing a T.V. commercial that would appeal to a substantially different age range than that required by Company 2. This was a foretaste of further difficulties in the Company 2-agency relationship that were to come.

* major information gathering events

- 1 Feeding into the agency-Company 2 dialogue was the result of a continuous process of information gathering by both parties. The agency concentrated on T.V.-related information (costs, markets, strategies etc.) while Company 2 was in regular contact with S.Inc. from which it required product and pack information.
- 2 On 17/18.10.87 a third piece of market research to determine what flavours of Beta should be launched was conducted in Nottingham.

12.7 Phase 6

The events of phase 6 were intimately interwoven into the cultural fabric of the Group: first, the project was being conducted at the fastest possible pace, reflecting the Holdings Board's desire for a speedy as well as successful outcome. Second, the Group had for some years been experiencing rising levels of confidence in its own abilities, and the decision to forego regional T.V. testing was testament to this. Third, the Holdings Board's involvement in the project had by this time become more marginal, but there were strong indications that it wished to exert a continuing influence on certain (especially legal) activities. To some extent this was a response to Subsidiary 1's questioning of the need for this superordinate body,

i.e. the Holdings Board was determined to illustrate its worth in the sharpest relief possible.

* the Holdings Board had wished the project to be pursued quickly, and it was

1 During this phase of the project the speed with which events were progressing became increasingly palpable. While this was in part a response to the Group's need for an immediate financial return, it was also indicative of a general cultural awareness that significant time delays could effectively kill the project. The brevity of the meetings the Group representatives held at S.Inc., the perceived necessity for the M.D. to phone back to Company 2 so that immediate action could be taken to contact suppliers, the imminence of the next Company 2 Board Meeting at which it was hoped to present the Holdings Board members with an outline document detailing how Project W was planned to progress, the M.D.'s insistence on calling his senior managers into a meeting on the Saturday following his return from the U.S.; all these factors added to the sense of speed with which the project was conducted.

* the rising confidence and organisational self-esteem within the Group were playing a role in determining events

2 The decision to dispense with a regional T.V. launch reflected the extreme confidence in and enthusiasm for Beta within the senior management team of Company 2 and the Holdings Board. The old cautious and conservative approach that had characterised the Group culture from the early-mid 1980's following the fighting off of a hostile takeover bid and the collapse of the Omicron Project had been substantially modified.

* for political/cultural reasons the Holdings Board retained some controls over the project

3 The fact that the legal dimension of the project was handled through the Group company secretary at the Holdings Board was significant. It guaranteed that the project would never be wholly Company 2's own, and that the Main Board would continue to have a major role to play even as the development director was beginning to further distance himself from the proceedings.

During phase 6 there were four major communication events and five significant information gathering acts.

* major communication acts

1 On 4.11.87 the M.D. of Company 2 phoned senior managers in Pontefract from the U.S., as pre-arranged, and relayed information (relating to the recipe, manning levels on the machines, machine speeds and so forth) which had a significant bearing on costs.

2 The managing director returned from the U.S. on 6.11.87 and met with his senior staff at Company 2 the next day. The function of the meeting was largely informational, with the M.D. describing the S.Inc. factory and Beta production processes to his colleagues.

3 Considerable amounts of information were being sent from the U.S. to the U.K. through very shaky lines of communication. Thus while some of this new information was sent directly to Company 2 some also went to the development director at the Holdings Board. In addition, some items were faxed and others were posted. This weakness in the lines of communication between S.Inc. and Company 2 meant that there were unnecessarily long time delays between the sending and receipt of information in some instances. A further problem was that the S.Inc engineers were not themselves

relaying information to the U.K. but passing it on to their Holdings Board for vetting before it was transmitted across the Atlantic. Interestingly, the project engineer cited the impersonal nature of the inter-company communications as a factor negatively influencing their regularity and quality - a factor later obviated by the project engineer's and chief chemist's visit to the U.S..

- 4 On 19.11.87 there was a special joint Holdings Board/Company 2 board meeting at which the subsidiary team presented their 'Beta Proposal' document to the Group directors.

* major information gathering acts

- 1 The idea of using natural colours and flavours in Beta gave rise to an information seeking exercise by the development director, who contacted the quality assurance manager of S.Inc..
- 2 On 22.10.87 the development director requested information from Company 1 concerning its sales of a product called Epsilon and the costs of associated trade support activities. This information was used to gauge the trade support costs of Beta, which it was thought would have a similar profile to Epsilon.
- 3 On 2.11.87 the development director and managing director of Company 2 went on a fact-finding visit to S.Inc..
- 4 Throughout phase 6 information concerning the Beta pack was still being collated from the U.S., the advertising agency, and packing supply companies.
- 5 The company secretary was engaged in two information gathering exercises, the first to satisfy himself that the draft licensing agreement drawn-up by Company R. was satisfactory, and the second in an attempt to ensure trademark protection for the Beta pack.

12.8 Phase 7

During phase 7 the growing culture of confidence evident within the Group was underscored by two decisions, first the decision to make a large capital investment in equipment before the actual level of sales was known; and second, the Holdings Board's sanctioning of Company 2's plans to build a new factory complex.

* the decision to purchase capital equipment

1 As the Group expected to make little profit from Beta until it was being manufactured in the U.K. there was considerable economic pressure on the organisation to commence production at Company 2 as soon as was practicable. It was therefore decided to proceed with the purchase of the required production and packaging equipment before the actual level of sales of Beta was known. This was hardly a 'textbook' approach to strategic planning, and further underlined the extent of the Group's confidence in the project.

* the decision to sanction the building of a new manufacturing unit

1 The transformation of Company 2's capital request for the purposes of building a warehouse into a capital request for a new £1 million manufacturing unit marked another significant change in the course of the project. There was no evidence that Company 2 knowingly put forward their proposal document expressing a wish to build a warehouse as a stepping stone to requesting extra capital expenditure for a manufacturing unit, though this 'facilitator theory' cannot be ignored. These considerations aside, the Holdings Board had every intention of developing Company 2, had faith in its senior management team, and agreed that the primary 'mission' of the organisation was to manufacture and sell sugar confectionery, rather than to store it.

During phase 7 of the project there were three significant communication acts.

* major communication acts

- 1 It was essentially a problem of communication which led to the disagreement between the advertising agency and Company 2 concerning monies owed, and this was itself indicative of 1) a laxness in Company 2's control over the agency's activities and
- 2 A lack of experience in dealing with the agency where large sums of money were involved. Fortunately for Company 2 and Project W conflict between them and the agency did not appear to damage Beta's chances of success.
- 3 The development director was in almost constant communication with S.Inc's quality assurance manager concerning the price of the Beta product that was to be shipped over from America, and associated logistical and documentation questions.
- 4 The decision to build a manufacturing unit was supported by a communication document drawn up by Company 2 and sent to the Holdings Board on 22.1.88.

12.9 Phase 8

In phase 9 the most significant decision taken was to forego the originally cautious plans for T.V. advertising. This phase was largely an information gathering and communication phase in preparation for the initial launch and later domestic manufacture. In phase 8 there were two major series of communication acts and three significant information gathering exercises.

- * the decision not to test the incremental impact of T.V. advertising on sales of Beta

This decision, which was effectively a decision not to collect a certain type of information, was yet a further indicator of confidence in the product and in the Group's ability to exploit it. Interestingly there was no evidence that enthusiasm for the venture had been dampened even though there was no evidence of the hoped for general increase in Company 2's products, the diminished profit margin that had been forced on Beta by their larger customers, and the dramatic increase in costs associated with the new factory and capital equipment.

* major communication acts

- 1 The personal contacts the project engineer and chief chemist made during their trip to the U.S. not only made the distance across the Atlantic less psychologically significant (less of a barrier) but opened up the channels of communication in a way which would have been almost impossible without face-to-face contact. Having met their S.Inc. counterparts asking further questions, requesting information and resolving problems all became much simpler.
- 2 A potentially highly damaging lapse in communication led to the Belgian sugar not being sent to S.Inc. for testing.

* major information gathering exercises

- 1 The company secretary discovered that there was a potential problem with the tradename 'Beta', for which U.K. rights had been assigned by S.Inc. to a company called D.PL. This led to discussions between Company 2 and D.PL. in which it was agreed that both parties could work together to explore the Beta character merchandising possibilities of a profile to be developed by Company 2. Further information collation or

communication on this matter was no longer a priority after the end of March, by which time the tradename 'Beta' had ceased to be an issue.

- 2 The most important instance of information gathering was performed by the project engineer and chief chemist during their visit to the U.S..
- 3 The buyer was involved in an important information collating exercise to determine two acceptable U.K. sources of Beta packing materials.

12.10 Conclusions

12.10.1 Successes and Problems of the Analysis

It is apparent that the attempted cultural interpretation of Project W has been only partially successful. Thus while some aspects of the project proved susceptible to analysis in terms of the Group's and Company 2's cultural traits identified in Chapters 5,8 and 9 the analysis is not entirely unproblematic. There are two major difficulties: first, some occurrences were plainly counter-cultural, and second, there were many events on which culture could shed little light. Exemplification of and explanations for these problems will follow a consideration of the analyses more successful points.

The 'quasi-political' intrigues that characterised relations between the Holdings Board and Company 2 fitted well with the empirical investigation of culture offered in preceding chapters. The extent to which such intrigues were an essential part not only of the style but the whole process of the project's development was aptly demonstrated by the development director's comment that:

"In the final analysis these are little games that we play. Every now and again I will say to [the M.D. of Company 2] 'Chris, are you really sure that you've done everything you need to do to

prepare yourself for the manufacturing of Beta?'....And then he thinks 'Oh God, I'll have to doublecheck everything'."

The speed with which Company 2 was able to react to the S.Inc. opportunity was also explicable in cultural terms. Company 2 was a low overhead, highly responsive organisation where the pace of work activity was accepted as being faster than in other Group subsidiaries. Similarly, cultural beliefs which lay behind Company 2's position as 'favoured daughter' of the Holdings Board go some way towards explaining why it (rather than the more obvious choice of Company 1) was allowed to exploit the S.Inc. range in the first place. The analysis also demonstrated (by means of the failed Epsilon project) the potentially vital significance of a company's history in influencing cultural beliefs and attitudes which in turn determine what criteria are used to evaluate a project, a product, and various aspects of organisational strategy.

Furthermore, as has been seen the project did not run continuously smoothly, and many of the problems had their foundation in the beliefs, values and knowledge base of the organisation. Company 2 was not only dependent on the Holdings Board for finance but on an outside agency for information, support and advice on the marketing of the product range. This was indicative of the company's lack of experience and expertise in the field - indeed, it only employed one trained marketer- while its strength lay in its technical/manufacturing knowledge. Thus to engage in a large-scale marketing-led project such as this was a cultural novelty for which there were no precedents on which to draw. Although the key players had had experience of other similar projects in other companies, operating within the context of Company 2 posed unique problems. Company 2 was, nevertheless, extremely enthusiastic about the project, reflecting its cultural determination to succeed; to make a name for itself in the market place and to expand its turnover and profitability. The importance of this enthusiasm to the eventual success of the project should not be under-estimated.

If the value of the cultural perspective should not be under-stated then equally its limitations should certainly not be overlooked. From a Group-culture perspective one of the most striking facts to emerge has been that despite possessing an espoused culture which favours decentralisation and autonomy, the Holdings Board were disinclined to allow Company 2 full control over the project. Curiously this disjuncture between the culture as espoused by respondents in the interview situation and the culture in practice as evidenced in this project did not seem to be perceived by the Group employees themselves. In addition, at subsidiary level there was an unaccountable concern for secrecy. As has been seen throughout the early stages of the project it had the air of a 'conspiracy' which only an elite few were privileged to. Given that the respondents of Company 2 adjudged their company's culture to be one of 'openness', 'honesty' and 'integrity' this obsession with secrecy within the organisation is difficult to explain in terms of the cultural profile drawn in Chapter 6.

While some features of the case contradict expectations raised by the cultural profiles others require elucidation with reference to variables other than culture. Many of the information-seeking and communication events were inspired by economic rationality, and appear axiomatic given our Western predilection with informed and (apparently) logical decision making. To look for company-level interpretations of the culture of Western Capitalism would therefore seem to be a futile task. The possibility remains that analyses emphasising the role of technology or limited resources would have been more illuminating.

How can these weaknesses of the cultural analysis be explained? There are three important points to note. First, the size and complexity of Project W combined with the fact that only one researcher was engaged in studying it meant that a mass of 'fine detail' was lost. The day-to-day events which may have illustrated the reality of loyalty, informality and cooperation at Company 2 were blurred into broad themes and overall consequences. Any attempt to consider the project

in terms of the cultural profiles was thus always going to be at best a partial success. Second, as was suggested in section 1.4 the demands of the social, institutional and economic contexts in which action takes place will exert an influence on that action which may sometimes override the dictates of cultural conditioning. In the case of Company 2, with its history of recent change and arguably relatively weak culture the impact of perceived economic realities might be expected to be great. Third, it has never been claimed that culture alone could offer an all-embracing conceptual panacea for the student of organisational behaviour, and its obvious deficiencies in this chapter are testament to its restricted sphere of competence.

12.10.2 The Lessons Learnt From Project W

Project W revealed three key points worthy of further conceptual exploration:

- 1 Investigations of organisational culture must recognise the distinction between:
 - a culture as evidenced in the organisation's literature and as espoused by senior executives, and
 - b) culture as it is manifest in the organisation's observed behaviour.

The examination of Project W revealed that the Holdings Board's stated belief in the value of subsidiary autonomy was part of the organisation's espoused culture. It was also a feature of some aspects of the organisation's culture-in-practice; in many respects the subsidiaries did enjoy considerable autonomy. However, the evidence from Project W suggested that when the stakes were high, the espoused culture lacked the strength to govern action. The culture-in-practice thus differed radically from that to which all the respondents had agreed.

This duality between the espoused culture and the culture-in-practice was also evident within Company 2 where an espoused culture of openness, honesty and integrity was obviously antagonistic with the obsessive secrecy which characterised the first few phases of the project. The extent of this dissonance or disjuncture between the espoused culture and the culture-in-practice is extremely noteworthy. It has important ramifications for organisations with strong and highly valued espoused cultures, such as Digital Equipment Company (U.K.) which might wish to devise mechanisms for bringing their actual culture into closer alignment with the culture they espouse.

Moreover, this distinction has important research implications. It implies that students of organisational culture should collect data relating to culture on these two very different planes. Indeed, if this bifurcation of organisational culture is accepted as valid and legitimate then this has major ramifications for previous empirical studies, which have evidently conflated espoused and realised cultures. This fact would then go some way towards explaining the lack of homogeneity within organisational cultures discovered and commented upon by some theorists (Payne & Pugh, 1976). While distinguishing between the espoused or desired culture state of an organisation and its culture as experienced by its employees would not generally reduce organisational culture to a monolithic entity, it would certainly reduce the confusion which permeates contemporary accounts of this phenomenon (see Pedersen & Sorensen, 1989).

- 2 Project W clearly demonstrated the importance of culture as a perception filter through which information was interpreted, valued and acted upon. Culturally the organisation was ready to take up the challenge of a major new product launch, and despite receiving convincing information that all the initial hypotheses concerning the product range were false, and in spite of constantly upwardly spiralling projections for costs, the project never really seemed to be in danger. Given this finding the view that management information has any absolute value for managers irrespective of the cultural perception filter through which they

view it, is highly questionable. It is a contention of this thesis that organisational information (i.e. information used within organisations) is best considered as a culturally constructed product. According to this position any attempt to understand how organisations use and misuse information without framing the analysis within a context of cultural meanings is likely to fail.

- 3 Project W illustrated the important role of information, communication and cultural variables in any satisfactory account of organisational behaviour of this kind. It was seen that a marketing-led project is essentially an external-information-led project, and that this is a very different type of project from production-led projects which are fed largely on internally generated information. It was also apparent that the progress of the project was governed by the flow of information more than any other resource, and that failures in communication were the major source of difficulty for employees. Traditional accounts of organisational behaviour which concentrate on financial variables, organisational structure and hierarchy, and more abstract notions of leadership, control, planning and forecasting and so forth in their attempt to explain events have thus been demonstrated to be extremely limited in their analytical vision. As has been demonstrated a marketing-led strategy is an information-led strategy, and this marked a break with the past for Company 2 which had until this time invested little time or money in market research. The project may thus ultimately prove to be a watershed in the company's cultural development: and indeed, there was some evidence that individuals' perceptions of the value of marketing information were changing.

CHAPTER THIRTEEN

CONCLUSIONS

"The literature in this field, (organisational theory) as a whole, has tended to move too far from the data and findings. Or, put another way, there is too much ideology and assertion and not enough attention to the results (or lack thereof) of the various empirical investigations that have been undertaken."

(Pfeffer, 1982, p.259).

13.1 Overview of the Chapter

The preceding chapters detailing the cultural and information/communication profiles of the case study organisation and Project W have quite deliberately been largely descriptive. The analytical overlay evident in these chapters has served only to illustrate the inter-relations between the cultural and information/communication categories. Rather than engage in high-level theoretical elaboration the cases have instead been used to present an empirically validated argument to the effect that a cultural perspective on organisational information/communication issues is both valid and useful - despite obvious limitations. In this final chapter the emphasis will be primarily on conceptualisation and model building.

Sections 13.2 and 13.3 describe two process models, the first of organisations in general and the second of organisational culture in particular. Some typologies of information/communication culture types are drawn in an attempt to demonstrate the importance of the information dimension of organisations to our understanding of culture. In section 13.5 the use value of the concept and theory of organisational culture is discussed. This is followed by an exploration of the concept of a 'paradigm', which is a necessary

precursor to extending the thesis's theoretical vision. Weak and strong interpretations of the paradigm concept are developed and then used to evaluate the concept and theory of culture with respect to information and communication phenomena. Finally, given the limitations of this research and the nature of its findings, an overview of the conclusions is provided and a number of recommendations for further projects in this field are made.

13.2 A Process Model of Organisations

The conduct of this research project has led this thesis to a particular view of organisational entities, a view which features information, communication and especially cultural variables highly prominently. This conceptual model of organisations is explicated here as a 'process' (i.e. not static) model of the most significant organisational variables. In this section the relationship between organisational culture and information/communication phenomena is examined within the broader context of the total organisational situation. The conceptualisation developed in this thesis is summarised in diagrammatic form in fig.5 which is explained below.

First of all a brief outline of what is meant by each key phrase is required.

* **Human resources:** refers to the stock of organisational employees, including their knowledge, skills and abilities, individual characteristics and idiosyncrasies, and personal biographies. The distinction between 'human resources' and 'culture' is one of scale, with the former referring explicitly to the level of the individual, and the latter to the organisation as a collective entity.

* **Material and financial resources,** refers to the land, capital (including both equipment and buildings), and financial assets possessed by an organisation. It does not include those structures and systems which are largely or wholly used for information, communication or control purposes.

A PROCESS MODEL OF ORGANIZATIONS

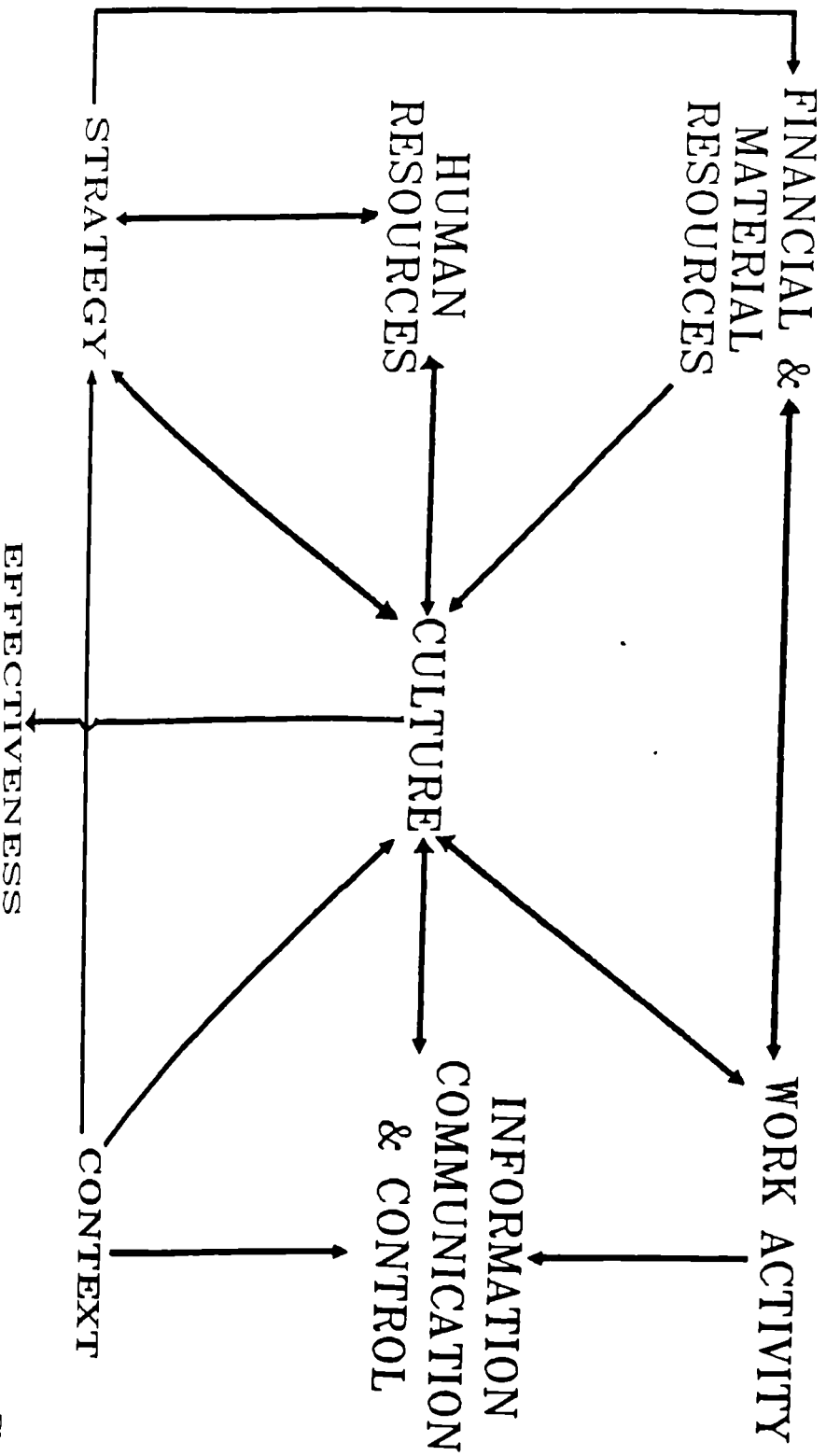


FIG. 5

* Information, communication and control, refers to the structures, processes and systems which conjunctively constitute this facet of organisational existence.

* Work activity, refers to the nature of the tasks conducted by employees at all levels in the hierarchy of management and in all functions within the organisation.

* Business context, refers to the external environment in which the organisation subsists, including not only its customers, suppliers and competitors, but the political, social, philosophical and global economic contexts which form Twentieth Century human culture.

* Strategy, refers to the generally both long and short term perspectives and associated plans the organisation has on and for its own development. While strategy is usually formulated at senior executive levels within an organisation it is not itself a meta-level statement of goals, i.e. the 'organisational mission statement', which is here subsumed under the heading of 'culture'.

* Culture, unlike the terms so far defined eludes satisfactory, concise definition, and the reader is referred back to Chapter 3.

* Effectiveness, is another term for which no particularly appealing definition is available, and is here used to refer to the extent to which an organisation accomplishes those objectives set out in its long and short term strategies.

How should the model be read? While there are obviously many potential starting points, all recognised as equally valid by the researcher, this thesis will take 'human resources' as its guide into the model. The idea is that individuals (human resources) come together to organise themselves and to develop strategies for exploiting the material and financial resources available to them. Two major facets of organisational life are the structures, processes and systems associated with information, communication and control

activity on the one hand and the nature of the work activity on the other. The ability of the organisation to survive and thrive, its formation of strategy, work activity and culture will all be influenced and constrained by the business context in which it exists.

All of these factors shape and condition the organisation's culture, which in turn has a major impact on all aspects of organisational life. The final result of all this activity is a more or less effective organisation. The effectiveness of an organisation will depend on the quality of the 'fit' between the named organisational variables and especially the relationship between the peripheral factors and culture. It is important to note that this is a contingency model of cultural fit which recognises culture as forming at the confluence of a wide diversity of organisational and extra-organisational factors. Significantly, causal force is also attributed to culture, which thus enters into a dialectical relationship with the other elements of organisational existence.

While it might be tempting to postulate a priori hypotheses concerning the effectiveness of organisations the complexity of each unique situation, the plethora of variables to be taken into account and the often irrational and unpredictable nature of the relationship between culture and other factors makes this an uncertain art. Actual organisational effectiveness can reliably be gauged only by empirical investigation. The model of organisational life presented here is further complicated by the fact that each major variable shown may be stable or in a constant state of flux. The extent of the 'fit' between the components of the model can hence be extremely variable over time even when applied to a single organisation, with the system seeking but rarely (if ever) finding its ever changing equilibrium position.

This process model of organisational existence has three important lessons for the understanding of the relationship between culture and information/communication phenomena. First, it demonstrates the necessity for grounding appreciation of these two organisational

variables in the global context of organisational life. The business context, individuals' stock of knowledge and personal idiosyncrasies, the work activities they perform and strategies they devise in the process of organising cannot be adequately incorporated into the concept of 'culture' or safely ignored. Second, intrinsic to the logic of the model is the notion of 'dynamic equilibrium' which implies that over time the variables and consequently the relationships between the variables will be subject to change as the organisation develops. And third, the model illustrates the dialectical nature of the relationships between many of the variables which effectively preclude the generation of general laws (or even rules) asserting causal relations which would be too simplistic to cope with organisational reality.

13.3 A Process Model of Culture

As Chapter 3 makes clear, when it comes to corporate and organisational culture the academic literature offers the interested reader an embarrassment of definitional riches. Moreover, there is little sign of an emerging consensus on the core meaning of the term 'culture'. This said, in conducting this research project a complex and dynamic model of culture has emerged, and is briefly adumbrated here. The starting point for the model is Geertz's (1973) assertion that '...man is an animal suspended in webs of significance he himself has spun... culture (is) those webs, and the analysis of it (is) therefore not an experimental science in search of law but an interpretive one in search of meaning' (Geertz, 1973, p.5). To this initial proposition have been added and distilled the ideas of Eldridge and Combie (1974), Argyris and Schon (1978), Schein (1985), Trice and Beyer (1984), Beyer and Trice (1988), Smircich (1983a,b) among many others in order to arrive at figure 6.

In outline the model is designed to be read as follows: the business, legal, political, social and philosophic context in which the organisation subsists, the nature of the work activity it conducts and the idiosyncrasies of its principal employees engender a set of basic

A PROCESS MODEL OF CULTURE

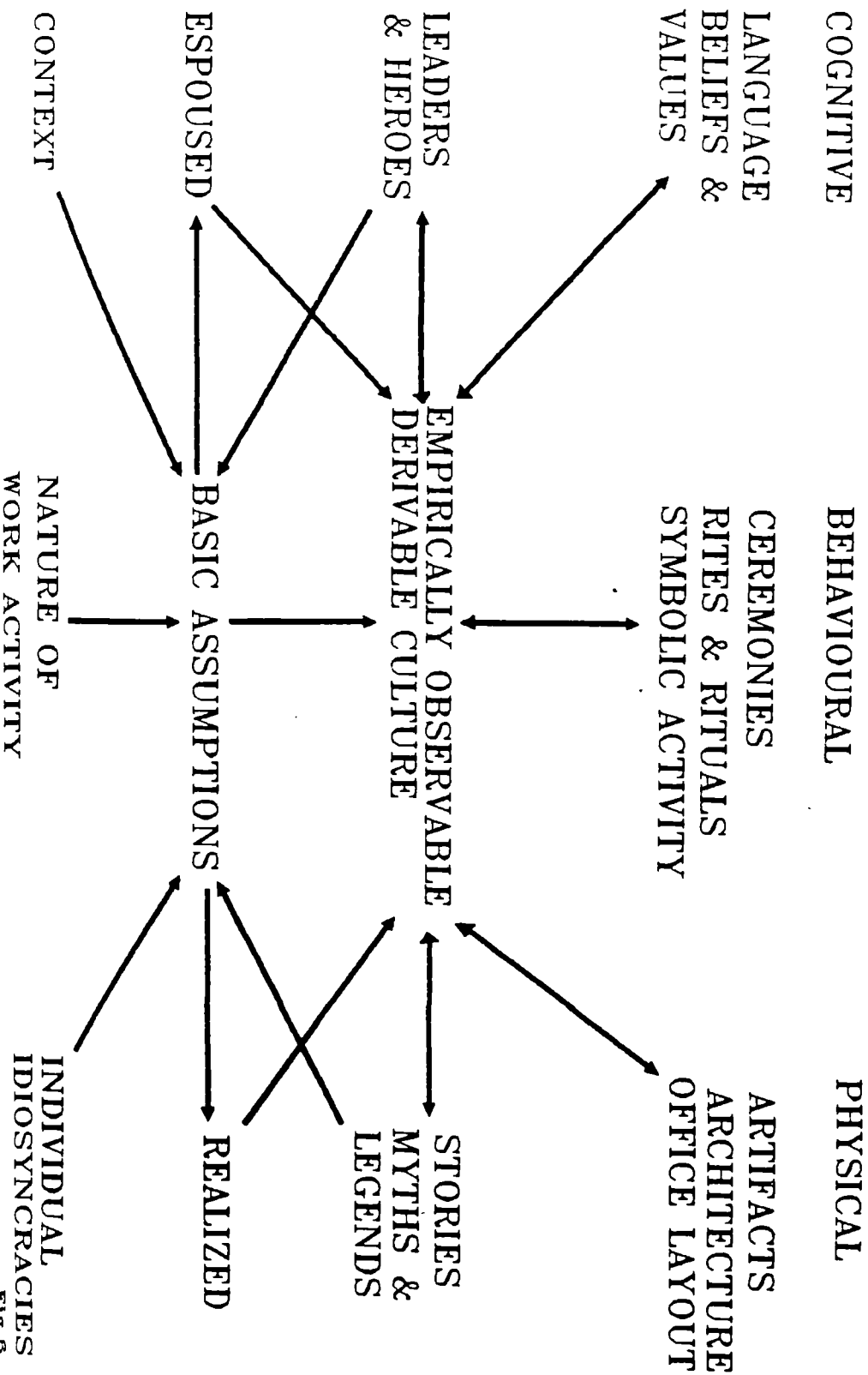


FIG. 6

assumptions. These basic assumptions represent the fundamental tenets of an organisation's cultural consciousness and take the form of (largely unwritten) belief statements concerning human nature, work, objectives to be pursued, organisational life, and so on. The basic assumptions give rise to two forms of culture, the espoused and the realised. The espoused culture consists of a series of normative propositions contained in the formal literature of the organisation and the statements of its senior executives; it structures, directs and constrains the actual culture as it is realised in the thoughts and actions of the organisation's employees.

The culture-in-practice together with its espoused counterpart conjunctively compose the empirically observable or at least research-derivable culture. The cultural superstructure of an organisation can be dissected into five major categories. Perhaps the most important of these are the two sets 'leaders and heroes' and 'stories, myths and legends', which are shown to feed back into an organisation's basic assumptions. The other three broad groups or cultural traits are the cognitive (language, beliefs and values), behavioural (ceremonies, rites, rituals and other symbolic activity) and the physical attributes of an organisation (its artifacts, architecture and office layout). While the influence of these cultural traits on other elements of the model is not ruled out, the strength of their likely impact is not considered to be as great as either the 'leaders and heroes' or the 'stories, myths and legends'.

13.4 Information, Communication and Typologies of Organisational Culture

The typologies of corporate and organisational culture that can be found in the literature pay scant attention to information and communication phenomena (see Section 3.15). However, as this thesis has sought to demonstrate the information/ communication dimension is an important and integral element of an organisation's culture, and its omission from such typologies is a failing that requires rectification. Rather than modify existing typologies this section

A GENERAL COMMUNICATION SYSTEM (SHANNON, 1948)

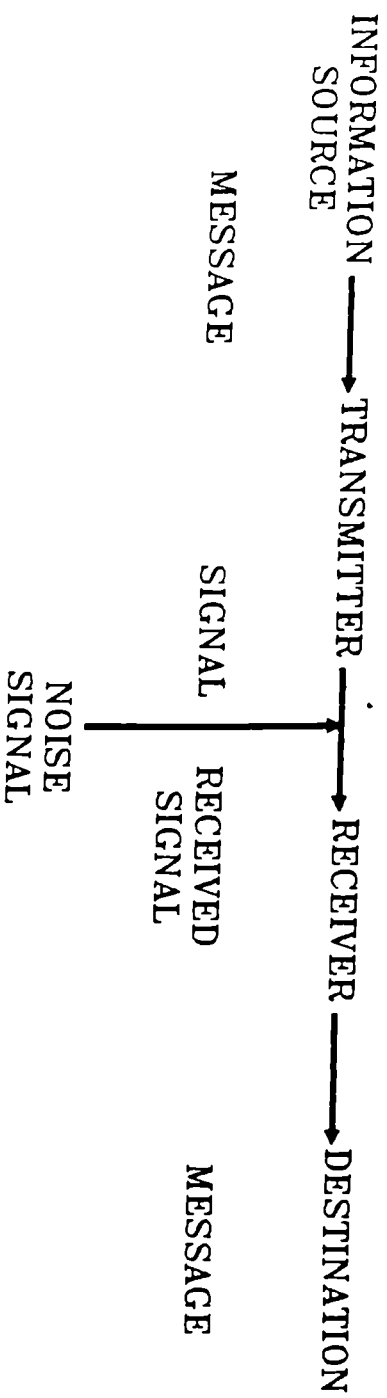


FIG. 7

guaranteed as noise (random interference in the channel) may distort the message.

According to Weaver the problem of communication exists at three levels. First, there are technical problems of the accuracy with which the symbols of communication can be transmitted. Second, there are semantic problems of the precision with which the transmitted symbols convey their desired meaning. And, third, there are effectiveness problems of the success with which the meaning of a message leads to the conduct desired in the recipient. While Weaver distinguishes three dimensions of communication he recognises that they all ultimately relate to the one central problem of meaning.

This conventional approach provides a useful codification of the basic mechanism of communication, but which is far too narrow and restrictive to deal with the complexities of organisational life. As this thesis has sought to demonstrate, communication needs to be seen not just as a process occurring between a sender of messages and a potential recipient, but in relation to the socio-cultural system in which it occurs. Shannon and Weaver's general principles of communication, if transferred from a technical to a social-psychological setting, are a valuable reference point, but they need to be supplemented by and interpreted within the context of an analysis of the total social system (Katz & Kahn, 1966).

In practice this means that organisational theorists must recognise that information generated within organisations is a socially constructed artefact which can reflect the values and beliefs of the prevailing social system. Further, as with externally derived information, it may be persistently subject to interpretation and reinterpretation against these same cultural norms and expectations. The fact is that while some forms of information may be deemed to possess 'intrinsic' or 'objective' meaning (and this thesis has considerable reservations that this is indeed the case) even these items will not be hermeneutically neutral. If culture is all-pervasive, then its reach, especially in the information

/communication dimension of an organisation, will be inescapable by all except the newest recruits.

Viewed from this organisational cultural perspective the Shannon-Weaver model acquires a whole new level of complexity. An information source (or receiver) situated within the organisation must be recognised as a cultural product whose information has been collated, analysed and elucidated upon subject to a variety of culture-informed pressures. Similarly, an externally situated information source will be evaluated, as will the content of its information, against criteria which have their origins in the history and culture of the recipient organisation. Potentially this can be extremely significant. If an organisation believes that information purchased from a commercial information supplier is superior to that which can be obtained from its local public library, then the former may be favoured at the expense of the free service whatever the financial cost implications.

The communication channels through which messages are transmitted must also be interpreted in their appropriate cultural context if they are to be fully understood. In organisations these channels may take a multitude of forms - memos, reports, telephone conversations, meetings and so forth - and all these will be conducted/constructed in accordance with the cultural prejudices of the organisation. Their length, format, degree of formality/informality, frequency and other channel variables will not always merely reflect the functional demands made upon way in which the information is packaged for consumption can be as important as the quality of the information itself.

The concept of 'noise' as originally understood by Shannon and Weaver needs to be totally re-thought under the guidance of the concept and theory of culture. It can no longer be assumed that only random interference from outside the channel prevents a message from being received with perfect clarity by its intended destination. The point is that in the subjectivist-relativist world of the cultural

organisation there is no such thing as 'objective' information to be exchanged, only culturally mediated interpretations of items of perceived informational value. A memo, a report or a telephone call achieves the status of 'information' only by the act of changing the image structure of a recipient (Boulding, 1956; Belkin, 1976), and the precise way in which this occurs will, in part, be culture-dependent. In the embrace of organisational life instances of random external interference will be rare, though so-called 'distortions' and 'misperceptions' of information will be common. But these failures in communication - i.e. attempts by the sender of information to alter the image structure of a recipient in the desired way - are not and should not be considered 'noise' in the traditional sense. Rather they are indications of within-system disturbances and irregularities which inevitably result from individual idiosyncrasies, human error, intra-organisational multi-culturalism and imperfect or incomplete enculturation processes to name but a few factors which may induce failure in the communication process.

13.6 The Paradigm Concept

In terms of its theoretical vision these conclusions place a heavy burden on the concept of a paradigm as described by Kuhn (1962; 1970; 1972) and elucidated upon by his various commentators. Kuhn's (1962) notion of a paradigm originally featured in his interpretation of the historical development and structure of science where, unfortunately, it finds no unambiguous definition. It is at different times described as 'a strong network of commitments - conceptual, theoretical, instrumental and methodological' (p.42), 'a set of recurrent and quasi-standard illustrations of various theories' (p.43), as patterns, vague theories, and ultimately something more 'global' (p.43). In fact in her attempt to unravel the polysemic skein which is a Kuhnian paradigm Masterman (1970) refracted the notion into twenty-one definitions. Such confusions have led Shapere (1964) to comment that:

"The term paradigm thus covers a range of factors in scientific development including or somehow involving laws and theories, models, standards, and methods (both theoretical and instrumental), vague intuitions, explicit or implicit metaphysical beliefs (or prejudices). In short anything that allows science to accomplish anything can be a part of (or somehow involved in) a paradigm."
(Shapere, 1964, p.385).

From the point of view of this thesis two meanings of the term 'paradigm' are recognised: first, it is understood in a restricted sense to refer to a metaphor, and second, it is considered to be something far broader, a general, meta-theoretical weltanschauung which induces unity within a discipline. In which (if either) sense culture should be classified as a paradigm is a central concern of this research. The restricted conceptualisation of the paradigm concept as a theoretical construct which can be used as an analogy or metaphor in the description and explanation of social phenomena is the most useful starting point. By reducing the meaning of the term paradigm to this more manageable and plausible tenet, Kuhn's (1972, p.86) hypothesis that 'there is nothing quite like it (a paradigm) in the arts, and the parallels in the social sciences are at best partial' can be safely rejected. For while there are certainly no universally accepted laws enshrined in standard textbooks which determine the development of the social science disciplines, a plethora of analogies and metaphors are employed by scholars of organisational theory and behaviour (see section 3.8). The essential problem with the established metaphors, and where they differ from the notion of culture, is that they do not emphasise information and communication issues.

This research has not embraced the cultural metaphor and reject^d these other paradigms a priori, for it could be 'in conjunction with other approaches' that 'culture may provide the critical tension that can lead to new insight' (Jelinek, Smircich & Hirsch, 1983, p.331). Nevertheless, the concept of culture does seem to be a particularly promising paradigm that is far less restrictive than other approaches,

and replete with as yet untapped interpretive possibilities. Accordingly, the idea that the notion of culture may yet be found to offer an initial step towards a comprehensive and unified framework (i.e. a paradigm in the broad sense) for information/communication research is given careful consideration here.

13.7 Culture as Metaphor: its utility for the study of the information/ communication dimension of complex organisations.

A metaphor is a way of seeing or thinking about an object as if it were something else. In the case of this thesis the concept of 'an organisation' has been elucidated as 'a culture'. The value of metaphors is that they allow 'inferences to be made about one of the things, usually that about which we know least, on the basis of what we know about the other' (Harre, 1984, p.172). In the social sciences, metaphors render social reality more palpable and comprehensible than it would otherwise be (Gharajedaghi & Ackoff, 1984). Arguably, through metaphors one can say what cannot be said in literal language, thus expressing an emotional reality lying beyond conscious awareness (Srivastva & Barrett, 1988). In short, they are tools for understanding, structuring and organising our experiences.

But the use of metaphors in organisational research is not as uncomplicated and axiomatically utilitarian as these comments suggest. Thus according to Tsoukas (1989), while metaphors are more capable than literal speech of relaying information on the flow of experience they lack the precision, accuracy, compatibility, analytical penetration and testability of literal language. It is also important to realise that metaphors do not simply penetrate into an external reality, they prescribe how it ought to be viewed and evaluated (Keeley, 1980; Harre, 1984). Moreover, they have to emphasise certain features at the expense of others (Bunge, 1973; Morgan, 1980, 1986, 1988). There is also the very real danger that they can be used to distort certain features and omit reference to others, with the implication that metaphors should not be 'pushed' too far.

Despite these reservations, the cultural metaphor employed in this research was largely successful, in that it permitted concentration on information and communication issues within the subject organisation. This was because cultural forms and processes were found to be intimately associated with (some would argue constituted by) the nature and patterns of information and communication activity engaged in by organisational members. In essence, cultural phenomena have been understood subjectively as systems of shared beliefs and values about the organisation, its objectives and its environment; and these systems of shared values have been understood as being expressed in the communicative acts of individuals.

Thought of as a paradigmatic metaphor the concept and theory of culture proved to possess considerable operational utility. It allowed a number of distinctive cultural traits to be isolated in the case study organisation and provided a framework through which these could be used to generate plausible hypotheses seeking to explain its information/ communication dimension. This exercise demonstrated the overriding necessity for information/communication processes, forms, policies and events to be studied within the total global cultural context of organisations.

As with other qualitative research projects no attempts have been made to establish laws (Achinstein, 1971), systems (Laszlo, Levine & Milsum, 1975; Moray, 1963) or rules (Cushman, 1977) concerning human social (specifically information) activity. Indeed, the cultural paradigm as described here eschews commitment to positivistic research objectives. It has instead attempted to offer an explanation of how individuals, groups and ultimately whole organisations come to exhibit the information/ communication behaviour they do by reference to a host of historical, social and psychological variables.

It is, therefore, a conclusion of this thesis that the cultural metaphor is a valid and valuable paradigm (in this restricted sense) for the study of the information/ communication dimension of complex organisations. Compared with other available metaphors such as the

'biological-organic' and 'mechanistic' metaphors it represents a significant advance in two respects: 1) it concentrates attention on the fact that what is under study are complex human activity systems and 2) it quite naturally facilitates an analysis of aspects of these cultural systems with respect to information and communication activity.

13.8 Culture as an Integrative Paradigm

While it has been argued that culture can be used effectively as a metaphor (a paradigm in the weak sense, as distinguished in Chapter 1), the question remains: can it be employed in a more significant role, as an integrative paradigm within which all analytical information/communication studies could be conducted? In short, is it likely to attain a similar status to paradigms detectable in the pure sciences? In the view of this thesis the answer is almost certainly that the theory of culture as outlined in Chapter 2 can never really hope to develop more than another 'perspective', 'approach' or 'metaphor' which must take its place among the many others that already possess a long and distinguished biography.

In the immediate future the diverse and confused state of cultural theory precludes its attainment of 'true' paradigmatic status, for in its current stage of evolution it is unlikely to attract the near unanimous acceptance of scholars in the field. Yet even if consensus on such major issues as a definition of 'culture' and the research tools that should be employed in order to understand it was ever reached, there would still remain good reasons why culture cannot take on the mantle of a paradigm in the 'strong' sense:

- 1 There are organisations, especially those of very recent origin which either possess no appreciable culture or instead have only a very weak cultural superstructure. The application of a cultural paradigm to these organisations is obviously not going to be fruitful.

2 There are a number of factors which evidently influence information and communication processes and forms which are not readily accounted for by the concept and theory of culture as currently understood. For example, while new technology, spatial location and the idiosyncrasies of employees may both impact upon and (at least in the case of technology and personality variables) be influenced by cultural forces, they cannot validly be reduced to aspects or elements of culture without stretching the notion of culture beyond reasonable limits. Individuals are not merely cultural phenomena, they are highly variable and unique personalities who interact not only as members of culturally distinct organisational and sub-organisational units, but as beings for and of themselves.

13.9 Summary of Conclusions

The main research conclusions of this thesis are here summarised as a series of brief statements in order to allow the reader to quickly assimilate the major conclusions of the project:

- 1 a thorough and reliable understanding of an organisation's information/communication processes and systems must be predicated on an understanding of that organisation's cultural fabric.
- 2 the employment of the cultural metaphor allowed this research to concentrate on certain key aspects of organisations (such as beliefs, values and organisational history). These elements of organisational life could then be operationalised as variables with explanatory force in this project's examination of information and communication phenomena.
- 3 grounded theory as interpreted in Chapter 1 is a utilitarian methodological tool for investigating organisational cultures and developing cultural profiles. It also facilitated research into

information and communication phenomena and permitted the generation of complementary profiles.

- 4 there is an important distinction to be made between an organisation's 'espoused culture' and its 'culture-in-practice', which has significant research implications.
- 5 useful though the concept and theory of organisational culture is for the analysis of information and communication systems and processes it cannot be adopted as an integrative paradigm for information/communication studies.
- 6 any complete and satisfying research into organisational decision making must make reference both to the role of information and communication structures, processes and systems, and to organisational culture.
- 7 general conceptualisations of organisations, and especially organisational 'fit' models should include both information and communication activity and culture.
- 8 typologies and classifications of organisational culture should include an information/communication component. Complementarily, researchers seeking to understand an organisation's culture might do well to examine its information/communication dimension.
- 9 the relationship between culture and information/ communication phenomena is complex, inter-causal and dialectical. It is, therefore, futile to seek for simple causal laws which link these facets of organisational life.

13.10 Recommendations for Further Research

Case study research of the type conducted in this project can be thought-provoking and stimulating, but cannot be said to prove anything. It is for this reason that the findings of this study have

been presented above as a series of hypotheses, each of which requires further empirical investigation and conceptual analysis. Comparable research needs to be conducted in a variety of other organisations, large and small, commercial and non-commercial in a diverse number of contexts, fields and industries. In addition to this general recommendation for further research in this field in order to confirm/refute the findings of this thesis, there are two specific areas which, while related to the research described here, have not been addressed by it:

First, this project has quite deliberately focused on the macro-level of organisational culture and organisational information/communication phenomena. However, it is obvious that many organisations possess a variety of identifiable sub-cultures, and that these and their associated information/communication structures, processes and systems should be subjected to investigation and analysis. This thesis found that there were marked cultural and informational differences between marketing, production and finance departments, and the fine detail of these differences, the reasons for them and their economic and behavioural implications require further research.

Second, the conceptual model of culture operationalised in this thesis emphasised values, attitudes, beliefs and history above the many other aspects and facets of organisational culture. Further studies of a similar nature to this, but employing culture models which give more scope to leaders and heroes, symbols and symbolic activity, language, stories, myths and legends and so forth are needed. Only when researchers have attempted to study information and communication phenomena using the full scope of the cultural umbrella will the true worth of the culture concept be really appreciable.

Furthermore, this research has itself generated process models of organisations and culture, both of which require further empirical validation. It is hoped that succeeding studies of organisational culture might usefully employ the process models outlined in sections 13.2 and 13.3 as a guide both to data collection and conceptual

analysis. The same is true of the typologies of information culture types described in section 13.4. Such future research might also seek to clarify the apparently complex relationship between an organisation's espoused culture and its culture-in-practice. The failure of many culture studies to appreciate this distinction has undoubtedly been a source of intellectual weakness, which should in future be avoided. It is also hoped that subsequent grounded theory research will find the interpretation of Glaser and Strauss's 'style' in the form of a methodology (as described in Chapter 1) a useful guide. Finally, further research into organisational culture and information/ communication phenomena in industrial organisations should always consider the implications of their findings for culture as a paradigm in this field.

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APPENDIX 1

Personal Details of Respondents

The Holdings Board

- 1) The Chairman and Chief Executive had two quasi-distinct functions. As Chairman his role was to take care of investor relationships, and mainly involved interfacing with the City, looking after the interests of the shareholders and the legal requirements of being a public limited company. the respondents Chief Executive role involved the coordinating of the activities of the Holdings Board and its interlinking with the Managing Directors of the Group subsidiaries. The respondent had joined the organization in 1979 as Personnel Director, become Managing Director of Company 1 in September 1980, Group Chief Executive in 1982 and Chairman in 1984.
- 2) The Development Director had responsibility for looking at opportunities for the Group which would increase medium/long term profitability and 'championing' the various projects. The respondent had been a member of the organization for 5 years from 1969 until 1974 and for the last 9 years.
- 3) The Group Finance Director had responsibility for company liaison with the City, the coordination of the Group financial strategy and the Group strategic planning process. The respondent had been a member of the organization for 4½ years and had been in his current position for 10 months.
- 4) The Group Secretary had responsibility for the secretarial side of the business, especially with regard to the Stock Exchange, insurance, pensions and in-house private medical schemes. The respondent also had overall responsibility for legal matters and was a legal adviser to the Group. The Group Secretary had been a

member of the organization for one year and in his current position for that time 9(though as Company Secretary designate for the first two months).

- 5) The Non Executive Director¹ had duties which involved the discussion of issues with his fellow directors, was a member of the Salary and Remunerations Committee and Chairman of the Pension Committee. The respondent had been a member of the organization for 17 years and had occupied his current position for 5 years.
- 6) The Non Executive Director² had the role of a sounding board for new ideas and confidante of the Chairman and other Holdings Board Directors. More specifically he was Chairman of the Salary and Remunerations Committee. The respondent had been a member of the organization for 6 years and had started in his current position.

Company 1

- 1) The Managing Director had total responsibility for Company 1 within the parameters set out by the Holdings Board. The respondent had been a member of the company for 33 years and in his current position for 2 years.
- 2) The Finance Director had overall responsibility for financial accounting, management accounting, credit control, office services and information systems (the computer department) which amounted to approximately 80 staff. The respondent had been a member of the company for 4 years and in his current position for 2½ years.
- 3) The Marketing & Sales Director had overall responsibility for the sales and marketing operations of the company. The respondent had been a member of the company for fifteen and a half years and

in his current position (including control of Marketing) for two years.

- 4) The Production Director had responsibility for the total production capacity of the company. The respondent had been a member of the company for 4 years and in his current position for that time.
- 5) The Unit Engineering Manager was responsible for the engineering integrity of one of the three manufacturing units. The respondent had been a member of the Group for 10 years, of which 3 were spent at Company 2, in his current position for 2½ years.
- 6) The Production Planner was responsible for planning the production programme for one of the manufacturing units. She had been a member of the company for 25 years and in her current position for 5 years.
- 7) The Operations Manager¹ had responsibility for one of the production units. The respondent had been a member of the company for 10 years and in his current position for 3 years.
- 8) The Operations Manager² had responsibility for one of the production units. The respondent had been a member of the company for 20 years and in his current position for 3½ years.
- 9) The Assistant Production Manager was responsible for the packing of goods within one of the units, which employed approximately half the people in the unit. The respondent had been a member of the company for 19 months and in his current position for that period.
- 10) The Machine Operator Instructor worked on an Ishido weighing machine, along with a team of 10 other ladies, and was responsible to a Forelady. She had been a member of the company for 18 years and in her current position for 15 years.

- 11) The Despatch Transport worked on the transport of goods within the company. The respondent had been a member of the company for 10½ years and in her current position for 5 years.
- 12) The Management Accountant had responsibility for the Management Accounts Department within Finance. The respondent had been a member of the organization for 5 years and in his current position for that period.) The Wages Manager had responsibility for the Wages Department within Finance which dealt with the payment of employees. The respondent had been a member of the organization for 33 years and in his current position for 16 years.
- 13) The Secretary to the Finance Director had general secretarial duties. She had been a member of the company for 6½ years (always within the Finance Department) and in her current position for 2 years.
- 14) The Sales Ledger Manager worked under the Credit Controller with 5 juniors. The respondent had been a member of the company for 17 years and had been in her current position for 10 years.
- 15) The Departmental Sales Manager was responsible for the two salesforces servicing the C.T.N. and independent grocery sectors of the market. The respondent had been a member of the company for nine years and in his present position for seven months.
- 16) The General Manager, National Accounts was responsible for a team of national accounts managers who serviced the large multiple retail outlets. The respondent had been a member of the company for eleven years and in his current position for seven months.
- 17) The General Manager, & Sales & Marketing Co-ordinator performed a mediating and fixing role, liaising between Marketing and Sales personnel, cushioning the Director from the distractions of day-to-day operational problems; he also held responsibility for the

sale of private label products. The respondent had been a member of the company for fifteen years and in his present position for seven months.

- 18) The General Manager, Trade Development was the senior marketeer, and was responsible for the marketing strategies implemented to promote products under the two company brand names, both of which were supported by teams of several marketeers. The respondent had been a member of the company for ten years and in his current position for seven months.
- 19) The Product Group Manager, Barrett Division was, together with two other marketeers, responsible for the total marketing activity associated with products sold under the Barrett name. The respondent had been a member of the company for eight years and in his current position for one month.
- 20) The Product Group Manager, Development was responsible for the marketing of products under the Bassett brand name. The respondent had been a member of the company for seventeen years and in his current position for two years.

Company 2

- 1) The Managing Director had general responsibility for all areas of the company and the task function of achieving specified profit objectives, people-objectives and the general maturation of the company. The respondent had been a member of the Group for 28 years and had been in his current position since the inception of the company 2 years ago.
- 2) The Sales Director had formal responsibility for the sales and marketing activities of the company. The respondent had been a member of the Group for 12 years, a member of Company 2 for 2 years and in his current position for 15 months. As a Director

of the company he was answerable directly only to the Managing Director.

- 3) The Production Director had overall responsibility for the factory in terms of production, maintenance, warehouse and distribution. The respondent had been a member of the Group for 15.25 years, a member of the company for two years and in his current position for just over a year.
- 4) The Finance Director had responsibility for looking after the financial affairs of the company and its computer-based information systems. The respondent had been a member of the company for 2 years and in his current position for that time (though as 'Director Designate' for the first year).
- 5) The Marketing Manager had effective responsibility for the total marketing operation of the company, with involvement in a vast diversity of activities from new product development to advertising and promotions. She was answerable to the Sales and Marketing Director and had one Marketing Assistant below her. She had been a member of the company since its inception two years previously and worked in her present capacity for that time.
- 6) The Chief Chemist and Product Development Manager had responsibility for organizing the workforce within the laboratory, checking raw materials and some areas of new product development. The respondent was responsible to the Production Director and controlled one laboratory Supervisor and 2 Laboratory technicians. While the respondent had only been a member of the company for 7 months this was for the second time - he had previously worked for the organization as a Departmental Manager for 7 years before temporarily changing his employment.

- 7) The Production Manager had day-to-day responsibility for meeting production deadlines in the factory. The respondent had been a member of the company for 30 years and in his current position for 7 years. He was responsible directly to the Production Director and managed a staff of 550 employees.
- 8) The Buyer had responsibility for purchasing all packaging materials and some ingredients (bulk raw materials such as sugar were purchased under contract by Company 1), as well as acting as a Packaging Manager. The respondent had been a member of the company for 17 years and in his current position for two years. He reported to the Managing Director and had one assistant.
- 9) The Stores & Warehouse Manager had responsibility for storing and issuing raw materials and the storing and some of the distribution of finished goods. The respondent had been a member of the company for 18 years and in his current position for 1 year. He reported to the Production Director and had 11 staff to organize.
- 10) The Credit Controller had responsibility for ensuring that customers supplied could afford to pay for goods received, that they did pay, that they paid on time and if they failed to pay to take remedial action. The respondent had been a member of the organization for 16 months and in her current position for that time. She reported to the Finance Director.
- 11) The Works Study Manager had responsibility for the preparation of labour standards, methods and 'works studies' on the shopfloor, and costings for new lines. The respondent had been a member of the organization for 11½ years and had been in his current position for 9 years. He reported to the Production Director and had a staff of 3, though two of these people were not fully under his control.

- 12) The Personnel Manager had responsibility for company personnel matters including staff training, welfare and first aid. The respondent had been a member of the company for 18½ years and in her current position for 3 years. She reported to the Managing Director.

Company 3

- 1) The Managing Director had responsibility for the activities of Company 3 which involved the management of sales and marketing activities for the Group outside of the domestic markets of the U.K. and the Netherlands. The respondent had been a member of the Group 19 years and had been in his current position for just over two years.
- 2) The Marketing Director had responsibility for all the marketing activities of the business in terms of strategic planning, monitoring, budgeting, forecasting, coordinating, controlling advertising and promotional expenditure, new product development and so forth. the respondent had been a member of the Group for 9 years, with international business for 9 years and in his current position for just over two years (though initially called 'Marketing Controller'). He reported to the Managing Director and had responsible to him 3 Area Managers, a Packing Manager, 3 Group Product Assistant Area Managers and 1 Packing Assistant.
- 3) The Finance Director had responsibility for all financial aspects of the business and information systems. The respondent had been a member of the company for just over two years and started in his current position.
- 4) The Export Area Manager was responsible for liaising with the manufacturing subsidiaries, and overseeing the marketing and distribution of products to be sold within his area (the Middle East, the Far East, Africa, Australasia, South America, Canada,

North America and Eastern Europe). The respondent had been a member of the company since its inception and had begun in his current position.

- 5) The Administration Manager was responsible for the administration Department which dealt with the physical movement of goods from the time the company received an order for them until payment for them had been received. The respondent had been a member of the Group for 7 years and in her current position (as it existed in Company 1) for approximately 4 years.
- 6) The Deputy Administration Manager was responsible for the purchase ledger, credit control and export credit guarantee business as well as serving as the deputy for the Administration Manager. The respondent had been a member of the organization for 14 years and had held his current position for 5 years (as it existed in Company 1).

Company 4

- 1) The Managing Director had the specific brief of bringing the company up-to-date and realizing the potential of the business recognized by the Holdings Board. The respondent had been at Company 4 for 20 months, and had understudied the old Managing Director for the first 8 months as Sales Director before assuming his current position.
- 2) The Works Director was responsible for the planning, manufacturing, packaging, goods handling and despatch operations. The respondent had been with the company for 15 months, and started in his current position.
- 3) The Technical Director had responsibility for quality control and quality assurance, and the 'registration' of the legal/technical aspects of the manufacture of medicines, plus a major input into

product development. The respondent had been with the company for two years and in his current position for that period. and

- 4) The National Sales & Distribution Manager was responsible for the total sales operation for the company. The respondent had been with the company for 9 months, and started in his current position.
- 5) The Commercial Manager was responsible for the accountancy and legal aspects of the business as well as being the company secretary. The respondent had been a member of the company for 3 years and had started in his current position.
- 6) The Production Foreman was responsible for production and raw materials handling below the Production Manager. The respondent had been a member of the company for 7 years and in his current position for that time.
- 7) The Chief Engineer had responsibility for all maintenance and buildings, plus project and development engineering. The respondent had been a member of the company for 5 years and started in his current position.
- 8) The Production Control, Assistant Buyer was responsible for the purchasing of packing materials for the factory and calculating factory efficiencies. The respondent had been a member of the company for 11 months and in her current position for all that time.
- 9) The Personal Assistant to the M.D. had responsibility for looking after the M.D., some duties regarding the sales force and consumer complaints and enquiries. The respondent had been a member of the company for 6 years and was the longest serving senior member of the company.

- 10) The Production Manager had responsibility for the factory below the Production Director. The respondent had been a member of the company for 18 years and had occupied his present position for 15 years.

- 11) The Sales Office Manager had responsibility for the orders going through the company to despatch and buying-in factored lines for re-sale. The respondent had been a member of the company for 5 years and in her current position for 4 months.

- 12) The Account Manager had responsibility for all the national and regional accounts and private label development within the company where he answered to the National Sales and Distribution Manager. The respondent had been a member of the company for 4 months and started in his current position.

APPENDIX 2

INTERVIEW SCHEDULE

BACKGROUND

- 1) Confirm interviewee's name.
- 2) Confirm job title.
- 3) How long have you been a member of the organisation?
- 4) How long have you been in your current position?
- 5) Could you please give a brief description of what your job entails?
- 6) Could you tell me how you fit into the management structure of the company?

GENERAL INFORMATION

- 1) Are you generally confident about the accuracy of the information provided to you?
- 2) Are there some sources you trust more than others?

If yes, go to 2a. If no, go to 3

- 2a) What are these sources?
- 2b) Do you ever take steps to verify information passed to you?
- 3) Can you cite an instance where information passed to you proved to be inaccurate?

If yes, go to 3a. If no, go to 4.

- 3a) How did you come to realize that it was inaccurate?
- 3b) What did you do?
- 3c) Were there any further implications of this episode?
- 4) Does the information you require to do your job efficiently and effectively always reach you in time?

If yes, go to 5. If no, go to 4a.

- 4a) Is there any type of information that tends to arrive late?
- 4b) Is there any particular source which tends to pass information to you later than you would like?
- 4c) Can you give an example of when information reached you at a later than optimal time?
- 4d) Were there any further implications of this episode?
- 5) Is information always provided to you in the most easily understood form?

If yes, go to 6. If no, go to 5a.

- 5a) How frequently does this occur?
- 5b) Does this not easily understood information usually originate from particular sources? If so, what are these?
- 5c) Does it usually involve a particular sort of information?

- 5d) Can you cite an instance where information has not been given to you in the most comprehensible form?
 - 5e) What did you do?
 - 5f) Did any permanent changes in the way information is packaged before being sent to you result from this (or any other) incidents. .
- 6) Have you ever experienced a situation in which you have not been able to locate the information you required?

If yes, go to 7a. If no, go to 8.

- 7a) Is this a general problem or an infrequent occurrence?
- 7b) Does it usually involve a particular type of information?
- 7c) Could you describe a specific situation where this has happened?
- 7d) What did you do?
- 7e) Were there any further implications of this incident?
- 8) Do you have irrelevant information passed to you?

If yes, go to 8a. If no, go to 9.

- 8a) Is this a general problem or an infrequent occurrence?
- 8b) Does this irrelevant information usually originate from a particular source?
- 8c) Is this irrelevant information usually of a particular type?
- 8d) Have you taken any steps to reduce the amount of irrelevant information you receive?
- 9) Have you ever had insufficiently detailed information passed to you?

If yes, go to 9a. If no, go to 10.

- 9a) Is this a general or an infrequent problem?
 - 9b) Does this insufficiently detailed information usually originate from a particular source? If so, which source?
 - 9c) Is a particular type of information usually involved?
 - 9d) Could you cite a specific occasion on which this has occurred?
 - 9e) What did you do?
 - 9f) Were there any further implications of this occurrence?
- 10) Do you have a preference for information to be passed to you
- a) orally (by word of mouth)(via pre-arranged meetings, unplanned meetings or on the telephone) or
 - b) written (letters, reports, memoranda, newsletters etc.) or
 - c) no preference ?

If a preference is stated, go to 11a. If no preference is stated, go to 11.

- 11) Could you explain your preference?
- 11a) Would you rank the modes of oral dissemination of information in terms of their value to you for decision making purposes. (give respondent a list of possible alternatives).

- 11b) Would you rank the carriers of written information in terms of their value to you for decision making purposes. (give respondent a list of possible alternatives).
- 11c) Do you prefer to transmit information orally or by means of written communications?
- 11d) Could you explain your preference?
- 11e) Are there any sorts of information you would always/generally communicate a)in writing, b) by word of mouth?

If yes, go to 11f. If no, go to 12.

- 11f) What are these sorts of information?
- 11g) Why do you think it necessary to communicate these sorts of information in the ways you have specified?
- 11h) Are there persons or organisations with whom communication is always or generally oral/written?

- 12) Are observational tours an important source of information?

If yes, go to 12a. If no, go to 13.

- 12a) Can you give an example of when an observational tour or an inspection yielded useful information?
- 13) Do you have a spokesman role to other organisations/important individuals/the general public, etc?
- 14) Have you ever had to take quick decisions without recourse to any other information than that which is in your own head?

If yes, go to 14a. If no, go to 15.

- 14a) Is this a frequent or a rare occurrence?
- 14b) Can you cite an example?
- 15) Has the geographical distribution of the company ever caused disruption to the free flow of information?
- 15a) If yes, is this a general or an isolated problem?
- 16) Are you aware of occasions when expenditure on information did not justify itself?
- 17) Are you aware of occasions when more information should have been collected?
- 18) Have any attempts been made to cost/benefit analyse the value of information for decision making?
- 19) Do you feel that you suffer from having too much information, too little information, or that you receive about the right amount of information?
- 20) In general, do you feel that the people who feed you with information understand what you need to know?
- 21) Who best understands your information requirements: subordinates, peers superiors or various other external bodies and organisations?
- 22) Do you feel that you understand the information needs of the people to whom you supply information?

INTERNAL INFORMATION

1) Does the company produce routine and regular internal reports?

If yes, go to 1a. If no, go to 2

- 1a) Can you describe, in very general terms, their content and function?
- 1b) Who has responsibility for producing them?
- 1c) Are you satisfied that they are in fact worthwhile?
- 2) Are ad hoc reports produced?

If yes, go to 1a. If no, go to 3.

3) Are forecasts produced?

If yes, go to 1a. If no, go to 3.5.

3.5) Are minutes of meetings circulated as a matter of course?

If yes, go to 1a. If no, go to 4.

- 4) Would you describe intra-departmental communications as generally excellent, satisfactory, less than satisfactory or poor?
- 5) Would you describe inter-departmental communications as generally excellent, satisfactory, less than satisfactory, or poor?
- 6) Is competition between departments encouraged?
- 6a) Is competition between individuals encouraged?
- 7) Are you aware of information being filtered by subordinates before being passed up to you?
- 8) Do you consciously filter information before you pass it on to others?
- 8a) Is this part of your job description or are you acting on your own initiative?
- 8b) Where there is room to manoeuvre, do you ever present information to superiors in a way which you think presents you in the best light?
- 9) Are you aware of any instance where fear, hostility or distrust inhibited the flow of information?
- 10) Have you ever discovered information to be distorted as it was a) disseminated from you or b) to you via other individuals?
- 11) If yes, is this a general or an isolated problem?
- 12) Are you aware of any instances where individuals have deliberately withheld important information?
- 13) If yes, is this a general or an isolated problem?
- 14) Are you aware of any instances where individuals have not distributed information because they failed to perceive its relevance to others?
- 15a) If yes, is this a general or an isolated problem?
- 15b) Is there a particular source responsible for this?
- 15c) Does it generally refer to any particular type of information?
- 16) Are you aware of your information (perhaps in the form of advice) being rejected (or not used) for personal or what might loosely be termed 'political' reasons?

- 17) Are you consciously seeking promotion?
- 18) In general terms, would you say that you trust those who have immediate authority over you?

If yes, go to 18a. If no, go to 19.

- 18a) Do you feel freer to communicate with those of your superiors you trust?
- 18b) Can you cite a specific instance where your trust in a particular superior influenced your communication with him/her?
- 19) Do some of your superiors have a greater influence over your future promotion prospects than others?

If yes go to 19a. If no, go to 20.

- 19a) Do you feel freer to communicate with those of your superiors who have least influence on your future promotion prospects?
- 19b) Can you cite a specific instance where the influence of a particular superior influenced your communication with him/her?
- 20) Does the company make use of special task forces or ad hoc committees for the solution of specific problems?

If yes, go to 20a. If no, go to 21.

- 20a) How frequently are these convened?
- 20b) How is their composition determined?
- 20c) What sorts of problem do they deal with?
- 20d) Can you cite an example of a 'task force' being used?
- 21) Is there a formal MIS and/or DSS?

If yes, go to 21a. If no, go to 22.

- 21a) Was it specially developed at some definite time or did it just evolve out of existing working practices?

If it was specially planned then go to 21b. If not, go to 21d.

- 21b) When was it installed?
- 21c) Who was responsible for installing it?
- 21d) Has anyone been primarily responsible for overseeing its development?
- 21e) Is there anyone with overall responsibility for it?
- 21f) Do you understand how it works?
- 21g) In your opinion does it operate efficiently and effectively?
- 21h) Can you suggest any possible improvements that could be made to it?
- 22) In approximate terms, how much information do you receive direct from your internal computer system?
- 22a) Is this computer-derived information of importance for decision making, either directly or indirectly?

If yes, go to 22b. If no, go to 23.

- 22b) What sorts of decisions does it assist you with?
- 22c) Do you think the system could be improved? If so, how?
- 23) Approximately how much of the information you receive is provided by a) your superiors, b) your subordinates and c) your peers?
- 24b) What sort of information is provided by your a)superordinates; b)peers; and c)subordinates?
- 25) Approximately how much of your time is spent reading a)during working hours, and b)at home?
- 26) What do you read?

EXTERNAL INFORMATION

- 1) Do you ever have occasion to go outside the firm for information?

If yes, go to 1a. If no, go to next section.

- 1a) Is there any particular sort of information you generally look to external sources to supply? (provide respondent with list of alternatives).
- 1b) Are there any sorts of situations in which you look to external sources for information? (provide respondent with list of possible sources of information).
- 1c) Is there any type of information that is especially difficult for you to obtain?
- 1d) Which of the following are received here *regularly* (*hand* respondent list from section d).
- 1e) Does anyone have responsibility for looking after these documents?

If yes, go to 1f. If no, go to 1h

- 1f) Who?
- 1g) How are these organised, circulated and stored?
- 1h) Do you have direct access to online databases?

DECISION MAKING

- 1) Are there any decisions which you take without reference to your colleagues?

If yes, go to 1a. If no, go to 2.

- 1a) Could you describe these sorts of decisions?
- 2) Are there any sort of decisions which you help to formulate?

If yes, go to 2a. If no, go to next section.

- 2a) Could you describe these sorts of decisions?
- 2b) What is your specific role?
- 2c) Who else is involved?
- 3) Does new technology play a role in decision making in your company in any way?

If yes, go to 3a. If no, go to next section.

- 3a) Could you describe how new technology is used in decision making?
- 3b) Is its use restricted to particular sorts of decisions?
- 3c) Is its use restricted to a particular echelon (or echelons) of your management structure?

INFORMATION AND DECISION MAKING

- 1) Would you say that you appreciate the role information plays in your decision making?
- 2) Would you say that the company as a whole is 'information conscious'?
- 3) Are you aware of the impact the quality of information available to you affects the quality of the decisions you take?

If yes, go to 3a. If no, go to 4.

- 3a) Could you cite an example where the quality of information available to you had a positive/adverse impact on your decision making?
- 4) In your opinion, how important is easy access to internally generated information for decision making?
- 5) In your opinion, how important is easy access to external sources of information for decision making?
- 6) Do you think you understand precisely what information you need for decision making?
- 7) Do you think that most other managers in the company understand what information they need for decision making?

INFORMAL COMMUNICATION

- 1) Are you aware of a company grapevine?
- 2) Have you ever been aware of any rumours circulating concerning any aspect of the company?
- 3) Have you ever made use of the grapevine?
- 4) How important do you think gossip, speculation and hearsay are within the organisation?
- 5) Does hearsay reach you from clients and/or suppliers?
- 6) Does hearsay reach you from The City/shareholders?

MISCELLANEOUS

- 1) Could you outline some of the various routes by which problems germane to your responsibilities become known to you?
- 2) Does your company have a recognizable corporate culture (quote definition)? [Scholtz, 1987, 'The implicit, invisible, intrinsic and informal consciousness of the organisation which guides the behaviour of the individuals and which shapes itself out of their behaviour'].

If yes, go to 2a. If no, go to 3.

- 2a) Could you describe it?
- 2b) How long has it been in existence?
- 2c) Do you think it is stable?

- 2d) Do you think that is has any implications for the way in which information is valued?
- 2d) Do you think it influences the way in which decisions are taken, there orientation etc?
- 3) Are you afraid of disclosing a gap in your knowledge to some people?
- 4) Do career patterns stress continuity of personnel in departments and positions or do people often change departments when promoted?
- 5) Is there any form of competition between the various sibling companies in your company's portfolio?
- 6) In general terms, would you describe decision making as centralised or decentralised or balanced?
- 7) In general terms, would you describe authority as centralised, decentralised or balanced?
- 8) In general terms, would you describe information resources as centralised, decentralised or balanced?
- 9) How rigid are your objectives and the plans you develop to fulfil them?
- 10) Do you feel that you understand the problems of your subordinates?
- 11) Do you feel that your superiors understand your problems?
- 12) Do you feel that you and your peers understand each others problems?
- 13) Have you ever suspected that you have been given information designed to substantiate what it has already been decide to do?
- 14) Have you ever employed researchers/assistants to find information for you?

ORAL MODES OF INFORMATION DISSEMINATION

pre-arranged meetings.

unplanned meetings.

pre-arranged telephone conversations.

unplanned telephone conversations.

other (please specify).

WRITTEN MODES OF INFORMATION DISSEMINATION

letters.

reports.

memoranda.

newsletters (internally produced).

minutes

other (please specify).

PUBLISHED EXTERNALLY DERIVED INFORMATION

Yes No D/K

journals
newsletters
newspapers
trade and promotional literature
directories
guides
official publications
patents
standards/specifications
abstracts/reviews/digests
books for work
any other types received

TYPES OF INFORMATION THAT MAY BE EXTERNALLY DERIVED

product information

production information

premises information

staffing or personnel information

health and safety information

financial information

market information

information on suppliers

information on competitors

export information

EEC information

patents

standards or specification

other information (please specify)

APPENDIX 3

DISCOVERING THE CORE CATEGORIES

The first set of interviews were conducted with members of the Holdings Board, and the process of analysis began as soon as transcripts for the four Executive Directors had been generated. Hundreds of codes, covering what seemed like the whole of organisational life, soon emerged. These were then added to as further transcripts were completed. Corresponding to each code a theoretical memo was created which provided a description of it together with some analytical and contextual material. Lists of the codes and copies of the memos were kept in A4 files in alphabetical order. These were subject to constant up-dating and amending. —

The semi-structured interviews conducted with the respondents were recorded on tape with the intention that they should be transcribed as quickly as possible. This was deemed to be desirable so that findings from the early interviews could be used to focus subsequent data collection efforts on the more significant aspects of the phenomena under study. However, given the vast amount of transcription to be accomplished a backlog of tapes needing attention soon developed. Nevertheless, rough written notes taken down during the interviews meant that interesting leads were not overlooked, and could be fed back to subsequent respondents for comment.

As more transcripts were generated it was possible to coalesce many of the codes into more general themes, while others were recognised to reflect the idiosyncrasies of particular individuals and were discarded. Eventually the possibility of using the concept of culture as an organising principle for the data emerged. Culture had originally been identified as a potential approach to understanding information and communication phenomena by the literature review conducted at the very beginning of the project. But it was only now, with many of the core categories defined, that the full value of the

cultural approach became manifest. The categories were then re-examined in the light of the culture metaphor, and information/communication and cultural profiles developed. Case analyses for four of the Groups principle subsidiaries and for the Group as a whole were then generated.