

ARI Research Note 96-62

Successful Decision Making in Organizations

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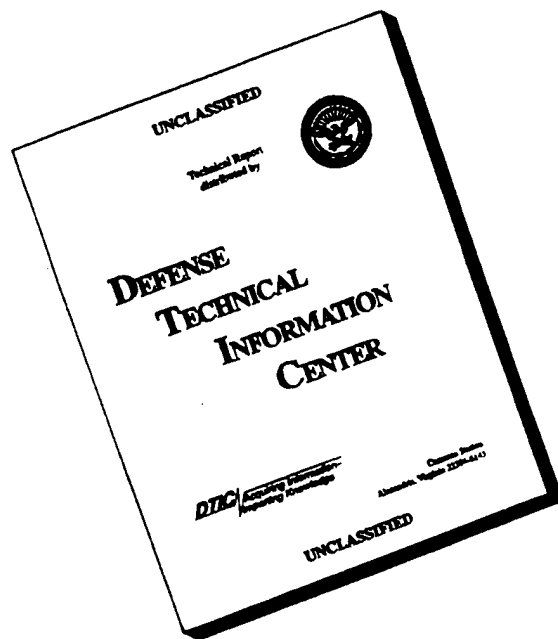


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U.S. ARMY RESEARCH INSTITUTE FOR THE BEHAVIORAL AND SOCIAL SCIENCES

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Director

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University of Bradford Management Centre

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14. ABSTRACT (Maximum 200 words): Business and other organizations in Britain were revisited to study the outcomes of implementing 55 strategic (major) decisions. These were a subsample of 150 cases studied previously when the decisions were made. Chief executives and directors (that is, presidents and vice presidents and equivalent) were interviewed about what happened. A series of factors that appear to contribute to success and failure is being elucidated. These reasons for good or bad performance can better inform senior managements in the future and be an aid to more successful decision making.					
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S U M M A R Y (Abstract)

Factors which contribute to the success (or failure) of major strategic decisions have been tentatively elucidated. Subject to final data analysis, they can be said to include:

- Backing (solid influential support).
- Familiarity (prior experience).
- Prevoyance (foresight and preparation).
- Avoiding over-reaching (not going too far and having to retract).
- Avoiding mischance (adverse circumstances arising).

That is, a decision has a better chance of being carried out successfully if top management is fully behind it, knows what they are doing, plans carefully and does not over-reach itself. These are potential ingredients in a possible recipe for success which the leadership could check off to improve the chances of success. If not untoward circumstances suddenly get in the way, of course.

This short list of factors is certain to be both amended and extended as the data are sifted further.

It arises from interviews with 63 Chief Executives and their senior colleagues about 55 strategic decisions taken in 14 diverse organizations in Britain. The making of the decisions was first studied by a Bradford Research Team during the later 1970s and early 1980s. The present research has re-visited the organizations to ascertain how they worked out in the longer term. Data are a combination of case histories, responses to open questions, and ratings.

Origins and Opportunity

Ten years of field research on how major decisions were taken by senior executives in both private and state organizations led to the publication in 1986 by the Bradford Research Team of the book TOP DECISIONS (Jossey-Bass). It was this book that brought the U.S. Army Research Institute and the Principal Investigator, David Hickson, into contact. That contact led to the funding of this project.

Its inspiration came from another former member of the Bradford Team, David Wilson (see Staffing below) who had pointed out the potential of the data base at Bradford. The book and related journal papers were the outcome of collecting case histories and assessments on 150 major decisions in 30 organizations in Britain, then and still the largest diverse data base in existence on this subject.

But the data covered just how the decisions were made. Each case history stopped at the point when the Board, or equivalent body, took the decision, i.e. authorized go ahead. David Wilson realized that if means could be found to revisit cases, then it might be possible to trace what had happened afterwards. That is, how each decision worked out. The U.S. Army Research Institute provided the financial means.

The Research Question

Can the success or failure of major (or strategic as we prefer to call them) decisions be explained? Is it possible to elucidate reasons why one does better than another when it is implemented?

That is the basic question. If it could be fully and directly answered then the three researchers would be on their way to riches untold. They would be able to tell managements how to "get 'em right" every time. Sadly that is likely to remain a fiction, for being able to be so sure of the future that the reasons for success this time will assure success next time is a philosophical impossibility.

However, guidelines, rules of thumb, clarification of what to watch for, should be possible. That is the aim.

Staffing

The personnel working on the research are:

Principal Investigator: David Hickson (Bradford).
Collaborators: Susan Miller (Durham, formerly Bradford).
David Wilson (Aston, formerly Warwick,
previously Bradford).

As explained earlier, David Wilson's idea had originally prompted the research. Unfortunately, his rapid promotion at Warwick Business School prevented him taking an active part for the first half of the project, but since then he has been fully involved (part time).

Susan Miller was appointed Research Assistant, the only full time researcher the project has had, after gaining her doctorate at Bradford for a study of decision making. After one year she moved to a permanent position at Durham, but she has continued very active (part time) since then.

The project time scale has been:

Original period of funding		One year	
Susan Miller full time		extension of funding	
1 January 1990	1991	1992	1993

We would have wished the work to be completed in every respect by now, but as will become clear, it is not. Apart from my own health indispositions now and again, the reasons are threefold. We were delayed in interviewing managers in three organizations by a factory fire and explosion, by a crucial informant moving to Brussels, and by takeover negotiations. Second, we underestimated the time needed to conceptualize and construct measuring scales. Third, and by far the most important factor, was our geographical dispersion. It meant we could not push each other along day by day. Nor could we puzzle about something, and then arrange for a casual coffee over it next day..

We did the best we could and here the understanding of the Army Research Institute in extending our funding was absolutely vital. We met for a whole day's concentrated session every few weeks at a faintly decrepit and very off-the-track hotel at Chesterfield, exactly mid-way between us. Our funding allowed us to hire a meeting room where we could work uninterrupted by telephones or students or colleagues, the only research project ever accomplished overlooking an aromatic candy making factory and a church with a twisted spire (the latter in the tourist books but not the former).

Sample

Our optimism that it would be possible to trace and obtain access to a target one-in-three of the 150 cases of decisions originally studied proved justified. In every organization we contacted we found one or more senior executives still there who had met the Bradford research team years before and, to their/our credit, readily saw us again and arranged for us to see others. We overshot, to 55 decisions which had been taken in 14 varied organizations (listed in Appendix 1).

In summary, the data are from:

14 organizations:

- 6 manufacturers (e.g. chemicals, glass, beer).
- 6 services (e.g. haulage, insurance, water).
- 1 university and 1 local (municipal) government.

55 decisions (i.e. an average of 4 per organization), the topics covered being:

- 7 technologies (investment in new equipment and/or premises).
- 8 reorganizations (internal restructuring of hierarchy and/or departments).
- 4 controls (computerization, centralizing systems).
- 10 domains (marketing, pricing, distribution).
- 5 services (new financing programs, housing developments, etc.)
- 6 products (new product launches).
- 3 personnels (staff allocation).
- 4 boundaries (takeovers to extend the organization).
- 5 inputs (supplies of capital or materials).
- 3 locations (siting of headquarters and other premises).

63 informants (i.e. an average of between five and six per organization), including chairmen and managing directors (i.e. presidents), functional directors (i.e. vice-presidents) of every kind, senior managers of every kind, and in the university and municipality, vice-presidents and senior administrators. Several informants who had retired or moved on were interviewed in their homes or elsewhere.

Since selection had to be from the existing data base, and to save time and cost organizations were preferred where each visit could be done within one day, precise sampling was not attempted. It sufficed to achieve a large sample (compared to what is usual in this field), widely varied. Indeed, sampling in the strict sense would have had to be done in terms of successfulness (some highly successful decisions, some less successful, some failures) and this was impossible. We could not know beforehand how successful the decisions had been.

The Data and Variables

After a series of trial interviews, an Interview Guide was devised (a copy is attached as Appendix 2). This had three components:

- a. History of the decision (a narrative of its implementation and subsequent events).
- b. Open questions (asking more specifically about features of what had occurred).
- c. 5-point rating scales related to the questions.

Thus, when a rating was given, related to an open question, the interviewer knew what that rating was about. The subject and meaning of the numbers was known.

The eventual scaled variables do not correspond exactly to the questions in the Interview Guide. There was a two year process of bringing together features in the narratives and answers to questions so as to discard some ratings, adapt others, and, more importantly, to devise further scales. Most scales are of logically ordered categories (not item scales with internal consistency values), for example:

MISCHANCE: the occurrence of unforeseen, disadvantageous extrinsic circumstances:

Score	4:	Disadvantageous circumstances
	3:	No disadvantageous circumstances
	2:	No new circumstances
	1:	Advantageous circumstances

(in other words, whether events such as a takeover or a market collapse affected success).

A list of implementation variables appears as Appendix 3. In total, there are:

4 Successfulness (Dependent) Variables:

Achievement of Implementation
Completion of Implementation
Acceptability of Implementation
Ultimate Success of Implementation

19 Attributed or deduced Reasons (Independent) Variables:

These are grouped under the following headings:

- Relative Quality of Implementation
- Facilitation of Implementation
- Politicality of Implementation
- Complexity of Implementation
- Feasibility of Implementation
- Duration of Implementation

30 Managerially Given Reasons (also treated as Independent Variables), being a list of explanations given by informants for success or failure.

These variables describe the implementation of each of the 55 decisions. We have also the original Bradford data base describing the process of how the decision was taken, years earlier. The question here is how far the way a decision was first handled affected its implementation afterwards. There are 26 relevant variables, plus a typological classification of each process.

There are then organizational level variables for each of the 14 organizations, for example:

- Size of organization.
- Ownership.
- Purpose.
- Strategy.

Finally, there are Summary Histories. 55 of these list the main events in each decision case and 14 describe what happened to the organizations in which the decisions were taken including, where appropriate, financial performance data which we have obtained from published sources.

Some of the data will now be described in more detail.

Success of Implementation

This turned out to be at least as difficult to define and measure as had been anticipated. COMPLETION was easy enough to deal with. Almost all the decisions had been completely put into effect. The scale failed to show variation. This was a surprise. It had been assumed that there would be a significant number of cases where the implementation of the decision collapsed or was halted part way through. Not so. This will be "news" in itself. Even apparently mistaken decisions are carried out fully before the mistake is recognized.

ACCEPTABILITY was not quite so easy to deal with. It changed over time. The acceptability to different parties of what was done to implement a decision sometimes improved, sometimes worsened. However, a five point scale was agreed, running from low acceptability through declining acceptability and improving acceptability to "wholly acceptable".

It was the ACHIEVEMENT scale that absorbed the greatest time and effort. There were 55 case stories of just how well things had gone, plus 5 point ratings by informants. The main difficulty, again, was how to indicate changes in performance over time. There was no difficulty with a case such as this one (all cases have code names and numbers):

PILK 4.

This large stock market quoted manufacturer, competing in an oligopolistic world market, had to decide the scale of a huge new technically advanced plant and where to locate it. How big, and where? Decision making followed a text-book procedure. Careful assessment of costings, the problems of transporting materials to the plant and of products from it, running cost and possible proximity to markets, led to a decision to locate the plant at the existing headquarters site.

Implementation was equally smooth. The plant was built on schedule and has since performed well. Indeed, the principal informant claimed it to be "the most successful plant in the world".

In short, top score on an Achievement scale.

How, though, should the following contrasting decision be scored? It seemed to begin well, but then went wrong.

THEA 1.

This small long-established family firm was enjoying growing demand for its products. The family directors were considering how to meet the demand. Suddenly a plant some distance away, which had many times their own small capacity, was offered for sale. They did not stop for detailed forecasts of running costs or for market research or for cash-flow forecasts. They borrowed and they bought it.

At first, all went well. Production soared, despite teething difficulties, and surging demand could be met. This local firm began to become a national brand name. Then the financial squeeze began. More capital was needed than had been foreseen, to meet the cost of work-in-progress and distribution. They turned from one bank to another. Rescued from crisis by a consortium of financiers, they found the family was no longer in control. Further crises saw a takeover by a competitor. Ultimately the firm became a shell, merely a marketing name for a product made elsewhere, in the plant of a bigger company which owned it wholly.

To begin with then, decision and implementation would have been seen as a success, high on an Achievement scale. Subsequently, it led down to the very disappearance of the firm itself as a functioning entity.

Sifting and comparing 55 different stories eventually resulted in what might be called a linear ordered scale of non-monotonic linear events (that is, events which changed direction). As one example of the research task, this Achievement scale is reproduced together with the scorings of all 55 cases as Appendix 4. It can be seen that it declines from "very good performance throughout" (straight line high achievement); through "might have done even better"; "improving performance, less than satisfactory earlier" (achievement turning up after a poor start); "unsatisfactory longer term performance, even if starting well" (achievement worsening after a better start); to "poor performance throughout" (straight line low achievement). The two cases summarized above, PILK 4 and THEA 1, score 5 and 2 respectively.

Fortunately for research purposes, we did not have to face what would have been an insuperable problem had all the decisions turned out well (or badly!). Informants did not appear to conceal what went wrong. Roughly half the cases were substantially successful and half less so, a useful spread.

Why this should have been so was the basic research question. Of the possible reasons, treated as independent variables, Attributed Reasons are described first.

Attributed Reasons

Of these 19 scales of variables, two will be reported in detail here to further exemplify what was done. One short scale, Mischance, has already been mentioned earlier.

FAMILIARITY is one of the more obvious possible reasons for doing well. It is inherent in one of the popular management dicta of recent years, "stick to the knitting". In other words, do not go too far away from where you have the know-how. A radical leap into an unfamiliar realm is risky. So a decision to go into a business or other activity which is comparatively unfamiliar is more likely to fail when implemented. Our Familiarity scale from "little or no relevant experience" to "fully experienced" is in Appendix 3.

Also in the Appendix is the 8 step scale of **DISSENT** (or Backing). This is far more complex in its basis and took many months of work. It expresses a mass of data in a single score. Altogether, 307 different interests were named by informants as involved at a managerial level in implementation, directly or indirectly. Rather more had been previously involved in the making of the original decisions. It takes fewer to implement than to decide. Which were the higher status and more influential, the original deciders or the subsequent implementors, and how far deciders carried through to become implementors (for example, how often did Chief Executives and/or Finance Directors withdraw once the decision had been made and leave implementation to others) has yet to be fully worked out.

The interests named, various directors and managers and, externally, banks or consultants and so on, were rated on five point scales for their Favourability towards implementation and their Influence upon it (here as in other instances where direct ratings were used, discrepancies between ratings were resolved by averaging, and then to retain whole numbers and enhance validity by rounding off in favour of informants most closely involved in and therefore informed about implementation). This produced 55 dual lists of scores, which for ease of appraisal were also drawn graphically.

One of several sheets of these hand-drawn miniature graphs is reproduced as Figure 1. It to be hoped that anyone who sees this does not have only a black and white photocopy, for it is most easily comprehended when colour can be seen. Green denotes interests in favour, yellow those neutral and red those doubtful or against. Each graph combines:

- a. Favourability rating.
- b. Influence rating.
- c. Number of Internal (I) and External (E) interests.

Favourability is plotted on the lateral axis from -2 (unfavourable) to +2 (favourable), and Influence on the vertical axis from 1 (little) to 5 (a very great deal).

It can be seen that the 16 graphs run from "very green and little red" at the top of the Figure to "more red" at the bottom. Thus they depict increasing opposition. The other 39 graphs not shown here are increasingly green, showing more undivided stronger backing for what was done, which is the commonest finding. It should be noted that case THEA 1 which was described earlier appears as very "red", for there was considerable conflict of view. Whereas PILK 4, also described, of a successful plant decision, was very "green", unanimously supported.

The graphs are in themselves a valuable research resource, 55 picture summaries of power at the top, from which more can yet be extracted. So far, they have served to create the Dissent scale. Sorted and re-sorted, they finally fell into 8 non-overlapping groups which were scored from Strong Total Backing ("all green and influential") to the Widespread

Strong Opposition ("several influential reds") which covers the two cases at the foot of Figure 1 (JOTE 4 and THEA 1).

Finally, in addition to describing these Familiarity and Dissent scales, a brief mention of a very recent idea. We call it DECISION OVER-REACH. It is not, and may not become, a scale, but it is new enough to us that we do not yet know its potential. We have a paper in draft based on three obvious cases. One case is, again, THEA 1. Here was a firm which bought plant several times larger than itself, with ultimately calamitous results. Its decision to do so "over-reached". From the examples we have, we see over-reach as going too far, disproportionately and riskily and irreversibly, and having to retract.

Over-reach is an everyday idea, yet it has never yet appeared in the research literature on decision making. We are hopeful that it may be an instance where the obvious, when pointed out, attracts attention. Incidentally, it was a concept which came suddenly over lunch in a side street cafe in the town of Chesterfield where we meet, to which we had walked from our hotel room for a break. A neat example of serendipity during casual though work-related conversation.

Managerially Given Reasons

In addition to Attributed Reasons for success or failure such as these, there are the reasons "Given" us during interview by managerial informants, their own explanations. They are listed in Appendix 3 and need not be repeated. What can be said is that the most common among the many explanations given were:

1. Good (or poor) planning and foresight.
2. Favourable (or unfavourable) market situation.
3. Sufficient (or insufficient) top managerial backing.
4. Familiarity (or unfamiliarity).

It is apparent that these closely resemble some of our own Attributed Reasons (see below). Among those described in this Report, Mischance includes Given Reason 2, Dissent includes 3, and the Familiarity scale is the same as 4. We hope that this signals corroboration of what we have deduced, perhaps even mutual validation.

Why?

Why do decisions succeed or fail? Or, as we have put it more realistically, what factors should be borne foremost in mind as most propitious for success (or to help avoid failure)? At the time of writing we are near but not quite at the point of confidently listing such factors. We cannot yet propose an order of importance. We have final analysis and further correlational manipulations yet to do. But for the purposes of this Report only, (these factors should not be more widely disseminated as yet), we venture a number of suggestions. All are ideas that have already been introduced in the Report. To illustrate what they mean, we again use the two cases described, PILK 4 (the very successful investment in a large new plant) and THEA 1 (the calamitous purchase of disproportionate extra capacity). As follows (scores on calibrated variables in brackets):

FIVE PROMINENT ATTRIBUTED REASONS FOR SUCCESS/FAILURE

ILLUSTRATIVE CASES

PILK 4
(Achievement
Score 5)

THEA 1
(Achievement
Score 2)

Backing (Solidity of support):

Strong total backing
(score 8)

Widespread strong
opposition (score 1)

Familiarity (prior experience):

Fully experienced
(score 4)

Partial experience only
(score 2)

Prévoyance (meaning foresight,
planning, preparation):

Carefully planned

Ill-prepared

Reach (see earlier discussion
of "Decision Over-reach):

Well within reach

Over-reach

Mischance (adverse circumstances
arising):

No-change of
circumstances
(score 3)

Neutral change of
circumstances (score 2)

These five reasons are not the only reasons by any means. At the time of writing, Priority, Specificity, and Flexibility are also beginning to emerge as contributing factors. That is, success is more likely to ensue if implementation is given Priority and if what has to be done is Specified clearly beforehand, provided there is sufficient Flexibility to adjust as things unfold. There is no evidence that taking longer over implementation, Duration, is necessarily adverse.

However, it is likely that the five listed reasons will hold their places in any further list. It is plain from the two examples that the successful decision, PILK 4, was unanimously supported by all concerned, was within the prior experience of the leadership, was carefully planned, and - as we have put it - was within reach (not too great a risk, disproportionate, or irreversible). Whereas the contrasting decision, THEA 1, was opposed by some interests from the start, largely beyond anyone's prior experience, ill-prepared, and over-reached. Neither decision encountered adverse extraneous circumstances, though Mischance (bad luck) can never be ruled out when decisions are carried through.

The first three reasons are not surprises. That everyone should be agreed, know what they are doing, and plan carefully, is the everyday recipe for success. How could it be otherwise? Yet as all researchers know, it is useful to have presumptions confirmed. At the least, this counters suspicions that it does not matter what you do, you may as well go into things with your eyes shut. Not at all. It does matter. It does pay to think carefully and not be rash, even if (as sometimes) mischance cannot be avoided.

Moreover, the fourth reason, reaching as far as you can but not too far, has not been previously formulated, as we have said. Whilst obvious once it is pointed out, it has a touch of novelty for it is not often recognized. It may be that among the other reasons yet to be clarified both from perusing narrative histories and from statistical analysis, there is more novelty to come.

At the back of our minds, so to speak, is the question whether it will be possible to distinguish among the factors contributing to success or failure those which lift off a decision in the right direction, from those which keep it going successfully after lift off. We put forward this idea speculatively in a conference paper in 1991, calling the two kinds

of factors "launchers" and "propellants". Of the factors just discussed, Backing, Familiarity and Prevoyance would be launchers. The support, experience and foresight are there (or not there, as the case may be) early on, to set a decision on its trajectory. Is reach, or over-reach, something different? Is it inherent in the target aimed at initially, or in the destination arrived at? Mischance is certainly different in being much less under control. We have yet to see whether this classification can be justified.

Further, we have to search more thoroughly for patterns. That is, combinations of scores, of which there are likely to be more than one combination, which predispose success, and others, not necessarily the exact counterpart, which predispose failure.

Does it matter what kind of organization is involved? Not much, perhaps not at all. Bigger organizations are no less successful on average than smaller ones in making and carrying out major decisions - but also just as likely to be unsuccessful. And vice versa, smaller ones are just as good or as bad at it. Nor is private ownership an advantage or public ownership a handicap. Both private and public organizations have their share of successes and failures.

Yet to Come - and Keeping in Touch

We have made it clear that we are not satisfied with what we have done. The data are so "rich" that we are eager to continue the effort to discover whatever else may be contained there. Yes, we want to run more correlations, to look for non-linear or curvilinear associations, to compare more cases at the extremes, and so on. But as much or more so, we want to "soak" in the case narratives and let intuition run where it will.

Although our funding is ending, we shall keep going. We shall try to find means to still meet in Chesterfield and we shall work between whites.

We owe everything that has been done to the support of the U.S. Army Research Institute. Without that, there would have been no research. In particular, the extension of the funding period by one year has been vital. We wish to pay a personal tribute to the understanding shown by Dr Milton Katz of the Institute's European Office in London. We believe that the sort of research we have been engaged in was different to the more typical projects with which he and others - and here we think especially of Dr. Michael Kaplan - were concerned. The degree of trust reposed in us was therefore the greater, and we have tried to live up to that.

We will submit copies of publications as they occur.

Dissemination

This is not the kind of research in which portions are detachable and can be written up for publication en route. Publication has to await the complete results, and their mental maturation. So far, then, publication has been minimal. It will accelerate during 1994 and into 1995.

The position is:

A. Completed (copies can be supplied if required).

Hickson, David, and Susan Miller (1992): Concepts of Decisions: Making and Implementing Strategic Decisions in Organizations. In F. Heller (ed.) Decision Making and Leadership, Cambridge University Press.

Miller, Susan (forthcoming): Winning and Losing: the Success Factor in Organizational Decision Making (under journal review).

Hickson D.J., S.J. Miller, and D.C. Wilson (forthcoming): A Step Too Far? Expansionist Strategies and Decision Over-reach in Manufacturing Organizations (in final draft for journal submission).

Associated book:

Hickson D.J. (ed.) (1994): Decision Making in Organizations, Dartmouth Publishing (a reader of classic and contemporary work).

Conference Papers:

Hickson D.J, and S Miller (1991): Getting Them Right - Making and Implementing Top Level Decisions in Organizations, presented to the 27th International Applied Military Psychology Symposium, Stockholm.

Miller S.J., D.J. Hickson, and D.C. Wilson (1993): Expansive Gestures: Fancies and Follies in Strategic Decision Making, presented at the Colloquium of E.G.O.S. (European Group for Organizational Studies), Paris.

B. Probable:

Explaining Success in Organizational Decision Making I: Successes and Failures.
Explaining Success in Organizational Decision Making II: the Making of the Decision
Explaining Success in organizational Decision Making III: Implementing the Decision.
Patterns of Power in Organizational Decision Making.
Success and Failure in Strategic Decision Making (a popular book for practising managers).
Implementing Decisions (a research monograph book).

C. Possible

A Step Too Far in Business: the Firm that Over-reached Itself (a book focussed on one dramatic case).
The Case for Rationality (a Journal paper examining how far decision making can be rational).
Strategies and Decisions (a journal paper examining the link between the two).

D. Personal Teaching

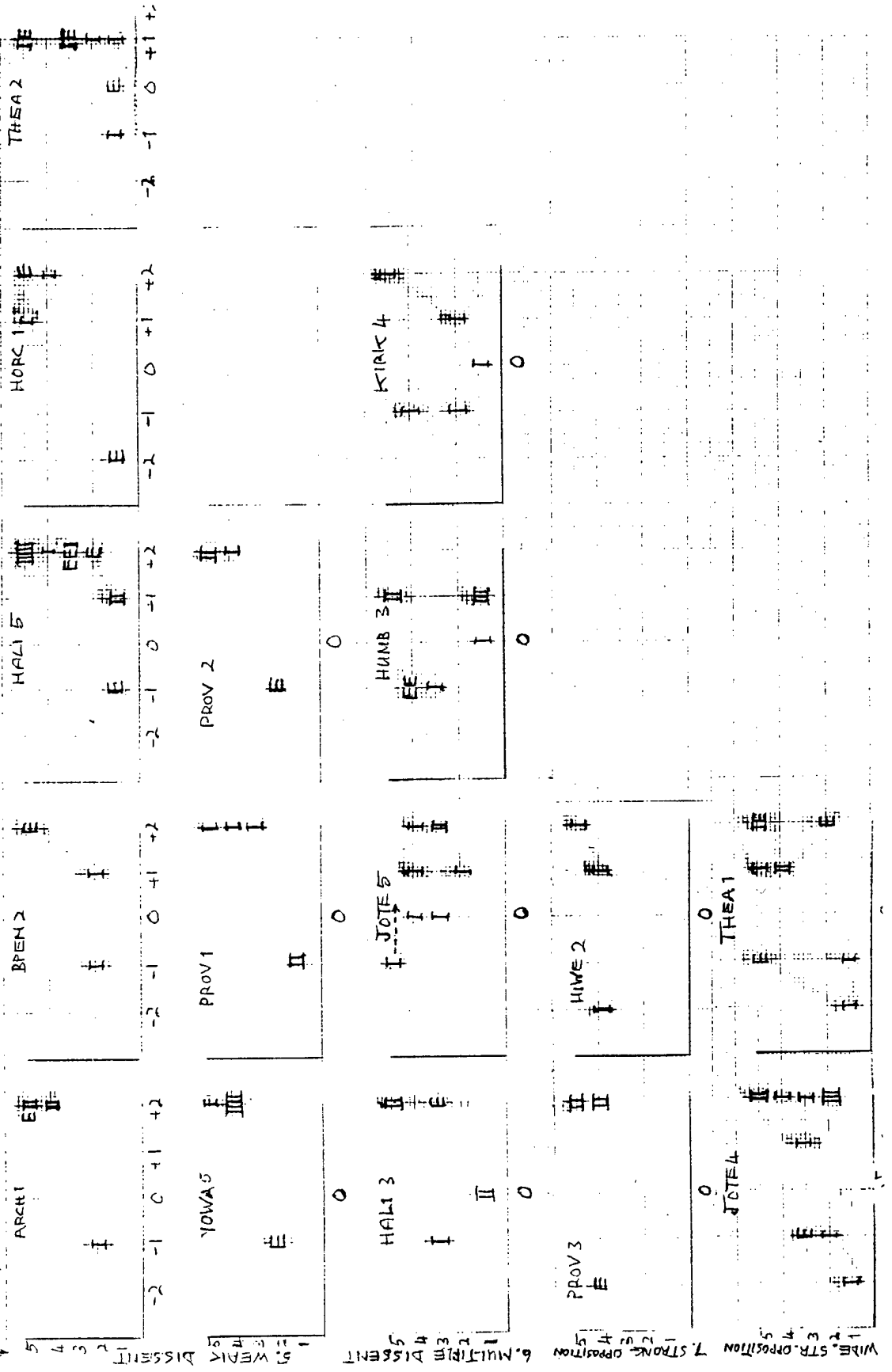
Direct presentation of results in our own teaching has begun and will continue. Apart from lectures to our students, we have between us in 1993 given invited lectures to staff and PhD candidates at the Free University of Amsterdam and at INSEAD (Fontainebleau), and to personnel of the British National Health Service and Ministry of Defence and of a multinational corporation in Geneva.

D J HICKSON

15th December 1993

← DOUBT AND DISSENT

FIG. 1



ORGANIZATIONS AND CASES

ARCH

1. Teesside Fiat concession
2. Marketing Romanazzi vehicle bodies
5. Opening of a Container Repair depot

BPIN

1. To trim expenses
2. Whether to grow or not
3. Centralization of 3rd party claims
4. To upgrade the computer
5. To stay and expand in Halifax.

HALI

1. To segment the market for depositors
2. Opening service branches (mini-banks)
3. Introduction of a regional structure
5. To stay in Halifax and build new H.O.

HIWE

1. PCONA (Yellowstuff) - A new product
2. Self-generation of electric power
3. To acquire land and develop it
5. To source monochlorobenzene from Poland

HORC

1. Advertising agency
2. New Co-leader
4. Free time

HUMBROL

1. To form an agency for Heller model kits
3. To sell direct to retailers
4. Extend standard range of model paints
5. To rent government advanced factory

JACO

1. Nylon handled chuck key
2. To create a new post of Marketing Manager
3. New building
5. New computer

JOTE

1. Setting up Take Home beer division
2. To open Wayfarer bars and houses
4. To man 3rd shift on kegging line
5. Offer advanced discounting in free trade

KIRK

1. To build Phase 3 of Civic Centre
2. Netherton Moor housing project
3. To introduce a lottery scheme
4. To create Technical Services dept.
5. Home for the Aged at Netherton

PILK

2. New product - CEM-FIL
4. New plant - UK5
5. Purchase of Danish distributor companies

PROV

1. The setting up of Whitegates estates agency
2. Acquisition of Halifax Insurance Co.
3. To stand up to ASTMS in pay negotiations
4. Introduction of Unicredit Scheme

SHUN

1. New committee
2. Introduction of new course NESLS
4. Joint School

THEA

1. Acquisition of Carlisle brewery
2. The financial reconstruction of the firm
3. Replacement of computer
4. To move into the London market
5. Opening of quality control laboratory

YOWA

2. Yorkshire Grid
3. Heat drying of sludge
4. Brewery effluent plant
5. Direct billing

PROCESS AND SUCCESS

INTERVIEW GUIDE

Organization code: _____

Decision: _____

Date authorized: _____ Interviewee name: _____

Job now: _____ Job then: _____

Interviewer: _____ Date: _____

Summary of Top Decisions data on decision-making process:-

3) Who was involved directly or indirectly, and what part did they play?

(a) Position/depart. (b) What they did. (c) How favourable (d) Their influence.
were they to
implementation.

INTERNAL:

_____	1	2	3	4	5	1	2	3	4	5
_____	1	2	3	4	5	1	2	3	4	5
_____	1	2	3	4	5	1	2	3	4	5
_____	1	2	3	4	5	1	2	3	4	5
_____	1	2	3	4	5	1	2	3	4	5
_____	1	2	3	4	5	1	2	3	4	5
_____	1	2	3	4	5	1	2	3	4	5
_____	1	2	3	4	5	1	2	3	4	5

EXTERNAL:

_____	1	2	3	4	5	1	2	3	4	5
_____	1	2	3	4	5	1	2	3	4	5
_____	1	2	3	4	5	1	2	3	4	5
_____	1	2	3	4	5	1	2	3	4	5
_____	1	2	3	4	5	1	2	3	4	5

- | | |
|---------------------|----------------------|
| 1. Strongly opposed | 1. Little |
| 2. Opposed | 2. Some |
| 3. Indifferent | 3. Quite a lot |
| 4. Favourable | 4. A great deal |
| 5. Very favourable | 5. A very great deal |

4) How far did the decision succeed in achieving what had been intended?

(a) when it was implemented:

(b) subsequently:

1. A little
2. To some extent
3. Quite well
4. Very well
5. Very well indeed

1. A little
2. To some extent
3. Quite well
4. Very well
5. Very well indeed

What was successful and what was not?

5) How far were the criteria for success clear at the time when the decision was being carried out?

1. Not at all
2. A little
3. Somewhat
4. Largely
5. Wholly

6) What were the reasons for success or failure in this case?

7) What contributed more to the overall success (or lack of it):-

(a) The quality of the decision?

(b) The quality of implementation?

How?

8) How far was the decision acceptable to the different interests involved?

(a) when it was implemented:

1. A little
2. Somewhat
3. Substantially
4. Largely
5. Wholly

(b) subsequently:

1. A little
2. Somewhat
3. Substantially
4. Largely
5. Wholly

To whom and why?

9) How far was the implementation of this decision given priority?

1. Not at all
2. A little
3. To some extent
4. Quite a lot
5. Completely

How?

10) Overall, how complex were the tasks which had to be carried out to implement the decision?

1. Not at all
2. A little
3. Somewhat
4. Largely
5. Wholly

In what way?

11) How far were precise details of the implementation tasks and activities decided beforehand?

1. Not at all
2. A little
3. Somewhat
4. Largely
5. Wholly

In what way?

12) How far did the prevailing organizational culture* help or hinder during implementation? *(The way things are done around here')

1. Hindered a great deal
2. Hindered a little
3. Not much effect
4. Helped a little
5. Helped a great deal

In what ways?

13) How far did any features of the organization's structure* help or hinder during implementation? *(The allocation of authority and responsibility etc.)

1. Hindered a great deal
2. Hindered a little
3. Not much effect
4. Helped a little
5. Helped a great deal

In what ways?

14) How far did those involved have experience relevant to implementing this kind of decision?

1. Not at all
2. Some
3. Quite a lot
4. A great deal
5. A very great deal

What experience?

15) Did lack of resources impede implementation in any way?

1. Not at all
2. A little
3. Somewhat
4. A great deal
5. A very great deal

In what ways?

16) How far was implementation open to adjustment as things went along?

1. Not at all
2. A little
3. Somewhat
4. Largely
5. Wholly

In what ways?

17) How far did unforeseen events affect implementation success?

1. Not at all
2. A little
3. Quite a lot
4. A great deal
5. A very great deal

How?

REMARKS:

Number of employees?

Products/services?

Ownership?

sm/Q4:10/6/90

DATA SETVARIABLE NAMES BY CODE (DCW 4/12/93)

ORGN	organization Name
DECN	decision number (case number)
SEQU	sequence number (from top decisions data set) ie topics 1-150.
TOPC	topic classification 1 new products 2 technologies 3 domains 4 personnels 5 inputs 6 locations 7 planning/controls 8 boundaries 9 reorganizations (internal) 10 new services
SZTD	size of org in top decisions
SZIM	size of org in implementation
CHSZ	change in size 0 = no change 1 = became smaller 2 = became bigger
PURP	Purpose Manufacturing = 0 Service = 1
OWNE	Ownership Public = 0 Private = 1
GF01	Given reason for success (01) Accurate prevoyance
GF02	Backing (Commitment)
GF03	Familiarity
GF04	Appropriate Expertise
GF05	General Competence of Personnel

GF06	Champion/s
GF07	Exploited existing capacity/resources
GF08	Financial Slack
GF09	Project (implementation) Control
GF10	Market Situation (Favourable/propensity)
GF11	Opened up latent issue/s
GF12	Sound Idea
GF13	Provided future capacity
GA01	Given reasons against success (01 et seq) Poor prevoyance
GA02	Inadequate Backing/Commitment
GA03	Unfamiliarity
GA04	General Incompetence of Personnel
GA05	Unclear or multiple/conflicting objectives
GA06	Blinkered Champion
GA07	Personal Arbitrariness
GA08	Financial Strain
GA09	Poor Timing
GA10	Insufficient time
GA11	Poor project (implementation) control
GA12	Adverse market situation
GA13	Underlying issue not resolved
GA14	Waned in Priority (due to changes in environment).
GA15	Under-estimated resistance to change
GA16	Technical failure

- QUAL Quality:
the greater contribution of
decision or implementation to overall
success or lack of it.
- 4 = Both decision and implementation equally good.
3 = quality of decision good, implementation weaker.
2 = quality of implementation good, decision weaker.
1 = both decision and implementation equally poor.
- CHAM Championing: the extent to which the decision
was characterised by personal enthusiasm (NB
the sample has no cases of multiple champions.
- 0 = no champions
1 = the decision had a champion/s
- INVO Involvement: The number of interests
taking part during implementation. Score a
count of total number of all interests.
- DIVI Diversity of interests: How many interest
unit categories (as in Top Decisions, Table
2.6) did the sub-units represent during
implementation?
- FLEX Flexibility: How far implementation was
adjusted as things went along.
- 3 = needed to adjust and did
2 = needed to adjust and did not/could not
1 = did not need to adjust
- DURI Duration of implementation:
Elapsed time in months from the date of
authorization to when what had to be
done was ready to function.
- CULT Cultural Receptivity:
The degree to which the organizational culture
eased implementation.
- 3 = appeared to be helping
2 = neutral (including small/mixed effects)
1 = appeared to be hindering

- STRU** **Structural Facilitation:**
The degree to which organizational structure eased implementation.
- 3 = appeared to be helping
2 = neutral (including small/mixed effects)
1 = appeared to be hindering
- MISC** **Mischance:**
The occurrence of unforeseen, disadvantageous extrinsic circumstances.
- 4 = Disadvantageous circumstances
3 = No disadvantageous circumstances
2 = Neutral
1 = Advantageous circumstances
- PRIO** **Priority:**
To what extent the implementation of the decision topic was an urgent priority for the organization.
- 4 = Urgent priority for whole organization
3 = high priority for the whole organization
2 = high priority for a part of the organization (even if for a short time)
1 = low priority in the organization (was one concern amongst many others).
- TRIC** **Intricacy:**
The extent to which multiple different tasks had to be inter-related to achieve implementation.
- 4 = Most/all tasks are inter-related.
3 = Majority of tasks are inter-related
2 = Some Tasks are inter-related
1 = Minimum/no inter-relation of tasks

FAML

Familiarity:

The extent to which staff had experience of the topic to be implemented.

- 4 = Fully experienced (eg fitted existing skills/experience base)
- 3 = Some general experience (but topic required some novel/changed applications)
- 2 = Partial experience (only some aspects of implementation were familiar)
- 1 = Little or no relevant experience.

SPEC

Specificity:

The extent to which the implementation process could be planned (and hence specified in advance).

- 4 = Highly/Totally specified in advance.
- 3 = Mostly specified in advance
- 2 = Some details specified in advance; others worked out during implementation
- 1 = Loosely/not specified at all.

RESC

Resourcing:

The extent to which a lack of resources facilitated or hindered implementation. Resources include people, money and time.

- 3 = Adequate resourcing
- 2 = Marginal lack of resources (a lack of resources may have hampered implementation).
- 1 = Inadequate Resourcing (significant lack of resources clearly hampered implementation).

ASSE

Assessability:

The perceived clarity of the criteria for success.

3 = Criteria wholly clear

2 = Criteria largely clear

1 = Criteria comparatively unclear (or not available)

BACK

Backing;

(the extent of support for implementation given by the interest units involved).

8 = Strong Total Backing (Unbroken, influential support; all or majority +2 on favourability, some influence scores 5).
Note: one exception, ARCH 2, has no 5.

7 = Firm Total Backing (Unbroken, but less committed, influential support; all +1 on favourability, or clear majority so, such as KIRK 1, rather than +2 with some influence scores at least 4).

6 = Almost Total Backing (One neutral, weak interest, influence score 1 or 2).

5 = Over-Whelming Backing (One or more neutral interest/s, but can be influential e.g. scores 2, 3, 4, or 5, although they could always be outweighed by the influence of supporters, i.e. over-whelmed). Note that JACO 2 is an exception, with no supporters.

4 = Weak Dissent (One weak doubter, -1 or -2, with influence scores of only 1 or 2).

3 = Multiple Dissent (Unfavourable interests -1, with influence scores of 3, 4, or 5).

2 = Strong Opposition (One very unfavourable, -2 and highly influential (4 or 5) opponent).

1 = Widespread Strong Opposition (Several unfavourable, including one very unfavourable (-2) and influential opponents with influence scores of 3, 4, or 5).

ACCT

Acceptability:

The degree to which the implementation process was acceptable to interests throughout its duration.

- 5 = Largely/wholly acceptable
- 4 = Improved acceptability over time
- 3 = Moderately acceptable throughout
- 2 = Declining acceptability over time
- 1 = Low/nil acceptability throughout

ACHV

Achievement:

The degree to which the implementation process and the final outcome achieved what had been intended or predicted.

- 5 = Very good performance throughout (this includes decisions which fully achieved stated targets or exceeded expectations)
- 4 = Satisfactory performance (includes decisions which worked well, but where staff acknowledged they could have achieved more especially at the outcome)
- 3 = Improving performance over time
- 2 = Declining performance (but appeared to start well)
- 1 = Poor performance throughout (includes both the implementation process and the final outcome).

COMP

Completion:

The extent to which the decision was subject to delays or was left incomplete

Note: This scale confuses completion (which we did ask about) with timeliness (which we did not ask).

Do not use scale other than for descriptive purposes. In any case, most decisions are skewed toward completion.

4 = Completed on time

3 = Took a little longer than intended

2 = Took a lot longer than intended

1 = Left incomplete

SUCC

Ultimate Successfulness:

The extent to which the outcome addressed/met expectations.

4 = Completely successful (score here decisions where all that was expected was met)

3 = Worked satisfactorily (but was not a complete success as in 4)

2 = Continued on a limited scale and/or with further problems.

1 = Failed. ceased to achieve any expectations or ceased to exist in the original form.

5. VERY GOOD PERFORMANCE THROUGHOUT

<u>BPEN</u>	1. Trimming expenses	(5/5)	Achieved targets.
<u>BPEN</u>	3. Third party claims	(4/5*)	Greater efficiency and flexibility.
<u>HUMB</u>	1. Heller agency	(4/5*)	Enabled them to buy Heller in end. Good sales.
<u>KIRK</u>	1. Phase 3 Civic C.	(5/5*)	Got building. Lease back mostly seen as good means.
<u>PILK</u>	4. UK 5 glass making plant	(5/5)	"The most successful plant in the world."
<u>PROV</u>	3. To oppose unions	(5/5*)	Achieved objectives long and short term.
<u>THEA</u>	3. Computer	(4/5*)	Provided capacity, worked well.

} Not many
here:
British
understatement

4. SATISFACTORY PERFORMANCE THROUGHOUT, THOUGH MIGHT HAVE DONE EVEN BETTER

<u>BPEN</u>	4. To change computer	(5/4*)	Worked well, but had to expand again.
<u>BPEN</u>	2. To grow or not	(4/4)	Grew a little more than intended.
<u>BPEN</u>	5. New building	(5/4)	Worked well, but still need more space.
<u>HALI</u>	2. Mini-branches	(4/4)	Worked adequately, limited by quality of staff.
<u>HALI</u>	5. New Head Office	(5/4*)	Designed & built well. Still need more space.
<u>HUMB</u>	4. Extend paints	(5/4)	Not all colours sold long term.
<u>JACO</u>	3. New building	(5/4*)	Either long term overprovided, or saved the firm?
<u>JACO</u>	5. New computer	(4/4*)	Did what was expected.
<u>KIRK</u>	4. Technical Services	(4/4)	Integration ok but success hard to gauge.
<u>KIRK</u>	5. Netherton OAP home	(4/3*)	Home built by joint financing. Policy change later.
<u>THEA</u>	5. Quality control lab.	(4/3)	Yeast culture and quality but could've done more.
<u>YOWA</u>	2. Yorkshire Grid	(4/4)	Perhaps a few technical difficulties along the way.
<u>YOWA</u>	4. Brewery effluent plant	(4/4*)	Worked well throughout.

3. IMPROVING PERFORMANCE, LESS THAN SATISFACTORY EARLIER

<u>HALI</u>	3. Regional structure	(1/3*)	Poorly implemented, strengthened later.
<u>HUMB</u>	3. Sell to retailers	(3/4)	Early problems, settled down well.
<u>JACO</u>	2. Marketing mgr post	(3/3*)	Did not last long enough to achieve more.
<u>JOTE</u>	1. Take Home division	(3/3)	Not enough profit or volume.
<u>JOTE</u>	5. Advanced discounting	(3/4*)	Inconsistencies at first, gradually sorted out.
<u>PROV</u>	2. Halifax ins. acquisition	(3/4*)	Little investment or management at first.
<u>SHUN</u>	2. New Course - NESLS	(3/5*)	Implemented quickly, needed further adjustment.
<u>THEA</u>	4. London market	(2/4*)	Poor beginning, later helped national recognition.
<u>YOWA</u>	5. Direct billing	(3/4)	P.R. potential realized later.

2. UNSATISFACTORY LONGER TERM PERFORMANCE, EVEN IF STARTING WELL

<u>ARCH</u>	1. Teesside Fiat	(3/1*)	Implemented satisfactorily, eventually unprofitable.
<u>ARCH</u>	5. Container Repair	(5/1)	Functioned, but no profit.
<u>HALI</u>	1. Market segmentation	(4/-)	Segmented market, but not very profitable
<u>HORC</u>	1. Ad. agency	(5/3)	Implementation truncated.
<u>HORC</u>	2. New Co-Leader	(4/3)	New co-leader didn't draw the orchestra together.
<u>HUMB</u>	5. Rent govt. factory	(5/1)	Need for factory disappeared.
<u>JACO</u>	1. Nylon handled chuck key	(4/3*)	Sales never took off.
<u>JOTE</u>	2. Wayfarers bars	(3/2)	Fulfilled customer need, but low profits and volume.
<u>JOTE</u>	4. Kegging 3rd shift	(3/3*)	Inc. prod. but needed overtime and got poor workers.
<u>KIRK</u>	2. Netherton Housing	(4/3)	Market changed so struggled to get money back.
<u>KIRK</u>	3. Lottery	(4/2*)	Made some money but not enough in the end.
<u>PILK</u>	2. New product CEM-FIL	(3/1)	Technical failure restricted uses.
<u>PILK</u>	5. Danish acquisitions	(4/2)	Had to change form and function of firms.
<u>PROV</u>	1. Whitegates estates agency	(4/2*)	Profits falls off (but money made on sale).
<u>PROV</u>	4. Unicredit scheme	(3/3)	Margins pared, eventually sold off.
<u>SHUN</u>	4. Joint School	(5/1)	Saved Manchester, others joined then faded.
<u>THEA</u>	1. Carlisle brewery	(4/3*)	Problems with cash flow and profit, had to sell pubs.
<u>THEA</u>	2. Financial reconstr.	(4/2*)	Saved company, but short term only.
<u>YDWA</u>	3. Heat drying of sludge	(4/1)	Production fine, but did not sell.

1. POOF PERFORMANCE THROUGHOUT

<u>ARCH</u>	2. Romanazzi	(1/1*)	Bodies difficult to fit and sell.
<u>HORC</u>	4. Free Time	(2/2)	Failed to remove problem.
<u>SHUN</u>	1. New Committee	(2/1)	Never assumed full control of staffing.