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Character and the nature of Strategic Leadership:

Artists, Craftsmen and Technocrats

b y

Patricia Cherie Pitcher

Faculty of Management

McGill University, Montreal

A Thesis submitted to the Faculty of Graduate Studies and Research
in partial fulfillment of the requirements of the degree of Doctor of
Philosophy

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Character and the nature of Strategic Leadership

Still more do I regret the failure to convey the sense of organization, the dramatic and aesthetic feeling that surpasses the possibilities of exposition, which derives from the intimate habitual interested experience. It is evident that many lack an interest in the science of organizing, not perceiving the significant elements. They miss the structure of the symphony, the art of its composition, and the skill of its execution, because they cannot hear the tones.

Chester Barnard, The Functions of the Executive

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I, alone, am responsible for the shaping of these various influences into their final form.

Abstract

This dissertation represents an enquiry into the relationship between character and strategy. From Aesthetics, it borrows the conceptual categories, art, craft, and technique. From Psychoanalysis, it borrows a scientific framework for exploring the inner life. From Psychiatry and Psychology, it borrows methodologies. Strategic Management lent its preoccupations.

The study demonstrates the long shadow cast by our inner lives on our actions. It portrays the evolution of the strategic posture of a world class corporation in terms of the character of the men who have lead it over the past thirty years. It shows the stages through which the corporation went and how those changes were intimately related to the characters of the key executives.

Résumé

Cette thèse est une recherche sur la relation qui existe entre le caractère du dirigeant et la stratégie de l'entreprise. De l'esthétique, elle emprunte les catégories conceptuelles suivantes: l'art, le métier, et la technique. De la psychanalyse, elle emprunte un cadre scientifique qui se prête à une exploration de la vie intérieure. La psychiatrie et la psychologie offrent des méthodologies. La gestion stratégique constitue le domaine d'analyse.

L'étude démontre l'impact dominant de la vie intérieure sur les gestes et les actions des dirigeants. Elle trace un portrait de l'évolution d'une corporation d'envergure internationale, selon le caractère individuel des gens qui l'ont dirigée pendant trente ans. Elle montre que les trois ères dans la vie de la corporation étaient intimement liées aux caractères des dirigeants clefs.

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Introduction

The notion that corporate strategies do, can, or should, form in a dispassionate fashion is a chimera¹ -- an odd-looking goat. On the contrary, because strategy is formed, fashioned or fabricated by people, and people are subject to joy, fear, hope, obsession, hate, ambition, strategy formation is itself subject to passion. Thus, the way strategies form or evolve depends, to be sure, on the nature of the marketplace, but depends with equal force on the character of the person or persons involved. This dependency is anterior to the choice of 'ways of proceeding'; that is, whether the strategist 'chooses' to form strategy intuitively, analytically, or experientially, flows from prior conditions having little to do with the marketplace or with the appropriateness of his method for tackling it. The choice proceeds from his character.

The word 'character' (Reich, 1949; Shapiro, 1965) is used advisedly. As we shall see below, there has been recent movement in the strategy literature toward a new emphasis on the role of the individual. In these studies, individuals are described by their motivations, by their cognitive styles -- ways of perceiving and thinking -- by their manifest behaviours or skills, or by their personality traits. Character, in the present study, embraces and subsumes all of these; character determines affect, affect determines cognition, perception and thought, and cognition in turn determines

¹Chimera: from Greek Mythology, a goat with lion's head and serpent's tail; wild or impossible scheme or unreal conception. The Pocket Oxford Dictionary. Oxford: Oxford University Press, 1969.

action. In order, therefore, to understand why people behave in a certain fashion, why, for example, they develop different strategies faced with ostensibly similar situations, and what consequences that has for their organizations, we must reverse the chain. We have to enquire into their actions and thence into their thoughts and thence their perceptions, feel and hear their affects, and, finally, discover their character. This study is then, fundamentally, an enquiry into the relation between character and strategy.

Of course, character is fundamentally and almost by definition idiosyncratic. No one grows up the same way, even in the same family. No one is endowed with native talents the same as the next person. No one ever confronts the same 'reality' as the next person. A purely phenomenological study would eschew all categorization, all attempt to systematize individual realities, in favour of "pure" description. This study proceeds on the further belief that the notion of pure description is also chimerical. Humans can see nothing if they see everything; we always proceed with some frame of reference, some conceptual apparatus, implicit or explicit, that helps us to order and to make sense of reality. It seems more helpful to render that frame of reference evident and visible at the outset.

If pure description is unrealistic, the taxonomic approach to character, on the other hand, is foreign neither to psychology and psychiatry, nor to management (Maccoby, 1976; Zaleznik, 1977, 1989, 1990; Kets deVries and Miller, 1987). This study maintains that there are a limited number of sane character types at work in

senior levels of our corporations, that these character types are reasonably stable, consistent and homogeneous, and permit investigation and description. How many, of what nature, and with what organizational consequences, were the objects of enquiry.

Chapter one presents a synoptic review of the strategy literature. It opens with a brief discussion of the dominant schools, touches on the controversy around whether leaders "matter", but moves quickly, and in greater detail, to the literature in which the role of the "actor" is both presupposed and central. It closes having situated the current study within a body of thought and having defined the reasons for its departure from it.

Chapter two develops the conceptual framework for the departure. It moves through a literature largely foreign to strategy formation but one, arguably, productive of new insights. Aesthetics, art and artists have much to teach us about the strategist, the visionary, the entrepreneur, the manager. This section develops the parallels between reputedly brilliant strategists and artists. In so doing, and by way of contrast, it describes his polar opposite, here labelled "the technocrat". But if art is composed of vision and technique, it also presupposes craft. The "craftsman" emerges here as well. The chapter lays the conceptual foundations of the study and sets the stage for the empirical investigation of the "ideal types" and their organizational consequences.

Chapter three defines the specific object and method of study. It sets out the signs and symptoms the empirical work sought to unearth, identifying in the process their potential strategic implications. It discusses various methodological issues and instruments and describes the primary modes of investigation employed in the field work.

Chapter four begins to report the results. It provides a highly summarized version of the strategic evolution of a multi-billion dollar corporation during the fifteen-year study period, from 1975 to 1990. That period coincided with years forty to fifty-five of the corporation's life. The chapter describes the evolution largely in statistics -- asset growth rates, acquisitions and divestitures -- and, graphically --geographic and sectoral diversification and corporate structure. It is designed to acquaint the reader with the broad outline of developments which will be explored and interpreted, in much greater detail, in a subsequent chapter.

Chapter five introduces the reader to the principal actors involved in that history. It describes these individuals according to how they are seen by their peers, subordinates and board members. It presents the results of two formal analytic procedures applied to the data and establishes the "ideal types".

Chapter six explores the inner world of the ideal types. It identifies the characterological basis for the affective, cognitive and

behavioural manifestations captured in the observer reports which formed the basis of the preceding chapter.

Chapter seven weaves the material into fabric. It retells the strategic evolution with the reader now firmly in possession of the history, the structure, the cast of characters and the conceptual and empirical basis for the "ideal types" -- the artist, the craftsman and the technocrat. It retells the story principally in the words of the actors themselves as reported in interviews and in documents.

Chapter eight presents the conclusions of the study, its uses and limitations and its relation to the existing literature.

Chapter One: The Literature

Strategic Management

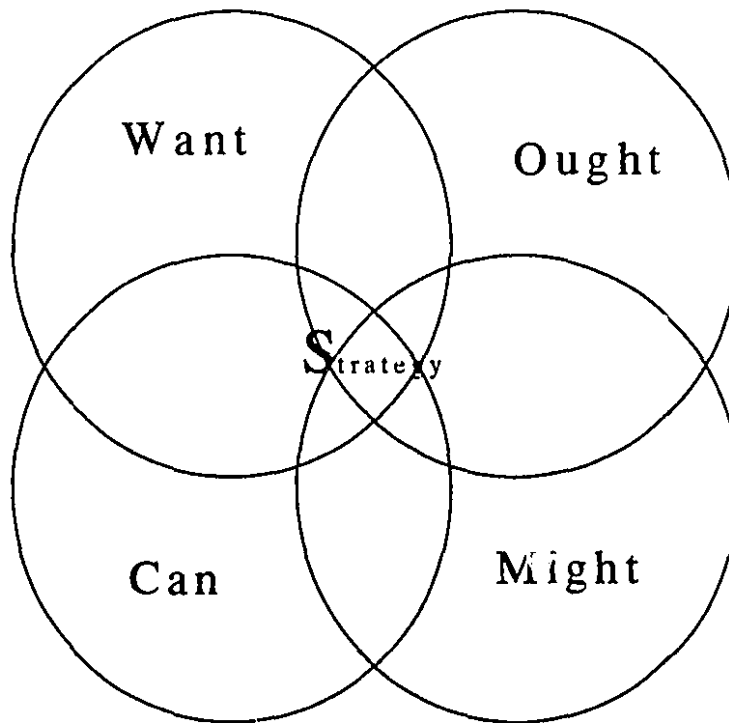
Strategic management distinguishes itself from operational management (Schendel, 1989:2) in that its focus, to paraphrase Drucker's now-famous words, is on doing the right things as opposed to doing things right. Thus, the strategic management literature is preoccupied by questions of how organizations choose, or ought to choose, their long-term "strategic" goals. Defined as a search for the most profitable product-market position, it represents an attempt to create "rent" (Bowman, 1974).

Although his work had many antecedents (Reilly, 1955; Hill and Granger, 1956; Gilmore and Brandenburg, 1962), and was part of the zeitgeist of the times (cf. Ansoff, 1965), Andrews is credited with establishing the intellectual hegemony of The Concept of Corporate Strategy (1980)¹. Riding a wave of dissatisfaction with the elaborate machinery of the "planning" vogue, Andrews articulated an "Everyman's Conceptual Scheme" wherein the determination of the company's mission would emerge from the balancing of four forces: what the CEO wants to do; what the company ought to do; what it

¹ For a fuller review of his 1971 book (revised in 1980), its antecedents and consequences, see Johnston, P., "Kenneth Andrews and the concept of corporate strategy: a review", McGill, 1988. Andrews is credited with writing the text portion of the Harvard classic, Christensen et al, Business Policy: Text and Cases, Illinois: Richard Irwin, which first appeared in 1965 and which has gone through numerous editions since.

might do, given market opportunities and threats and: what it can do, given its internal strengths and weaknesses. His view of strategy formation is represented diagrammatically in Figure 1.1

Figure 1.1: The Andrews Model



Source: Created from K. Andrews (1980) The Concept of Corporate Strategy, Illinois: Richard-Irwin Inc.

For Andrews and his colleagues, strategy is always unique because it involves imponderables (Christensen et al, 1987:x):

Close competitor analysis may point to a generic economic or business strategy. A unique corporate strategy, however, will reflect judgement, aspiration, desire, and determination in ways in which no theoretical model can prescribe. All-purpose management formulas [sic] are transparent fantasies.

From the beginning, Andrews stressed the importance of imagination, judgement and creativity. In his book (1980:102), he writes:

Whenever choice is compounded of rational analysis which can have more than one outcome, of aspiration and desire, which can run the whole range of human ambition, and a sense of responsibility which changes the appeal of alternatives, it cannot be reduced.., to the exactness which management science can apply to narrower questions.

He continues (1980:129):

.., strategic management is and will remain more an art than a science. Artistic accomplishment depends heavily on the education, sensitivity, competence and point of view of the artist.

Strategy in the Technocratic Mode

Although Andrews was at considerable pains to stress the contribution of "judgement", "imagination", "values" and "art" to the formation process, this part of his work went largely unheeded, unexplored. In its stead, and because these ideas are both intractable and "unscientific", there arose what was to become the dominant school. Carving out the bottom half of Andrews' scheme, future writers were to concentrate exclusively on economic mission, the matching of firm strengths(S) and weaknesses(W) to market opportunities(O) and threats(T) --- the so-called SWOT model. In its most elaborate and popular form (Porter 1980, 1985), the strategy-formation process is portrayed as a calculus. If the analytic process

is well-managed, it matters little, if at all, who sits in the "driver's seat". This is strategy in the "technocratic" mode. "Vision" need not exist.

Strategy as Craft

Of course, this perspective has not gone unchallenged. Organizations, the critics write, cannot be steered according to rational/analytic blueprints and strategy does not "spring full-blown like Minerva from the brow of Jupiter" (Quinn, 1978:7). In the spirit of earlier writers (Lindblom, 1959; Allison, 1971; Cyert and March, 1963; Wrapp, 1967), Quinn (1978, 1980) protests that such an orientation leaves out "vital, qualitative, organizational and power-behavioural factors" and assumes that the "future will mimic the past" (Hurst, 1986). Strategy, writes Quinn (1978:20), deals with the "unknowable" and involves:

... forces of such great number, strength, and combinatory powers that one cannot predict events in any probabilistic sense. Hence logic dictates that one proceed flexibly and experimentally...

In a turbulent world, it is foolhardy to develop immutable plans, plans which may stifle innovation and responsiveness (Mintzberg and Waters, 1985). Strategies should be "crafted" (Mintzberg, 1987) in a continuous dialogue with the market. Here, long-term "vision" cannot exist because the future is too cloudy.

Strategy as Vision or Art

Part of the modern conception of "scientific management", strategy in both the foregoing modes is seen as the institutionalization², in the large corporate setting, of the entrepreneurial function. In the main, these literatures ignore the role of the individual and therefore do not address vision per se. To the extent that a visionary or entrepreneurial mode of strategy formation exists in the literature, it is largely relegated to the domain of small and young firms (Collins and Moore, 1970; Mintzberg, 1973). In its "visionary leader" or "strategic leadership" variant, it has recently seen a minor renaissance (a recent special issue of the Strategic Management Journal, 1989, was devoted to the topic) but remains marginal to the mainstream of strategy research. In addition to noting the paucity of research in the area, one recent review of entrepreneurship in the corporate setting suggests (Guth and Ginsberg, 1990:8):

Many would argue that entrepreneurial behaviour in organizations is critically dependent on the characteristics, values/beliefs, and visions of their strategic leaders. The role of both individual managers and management teams in corporate entrepreneurship warrants considerable further research.

One of the reasons for this relative neglect, apart from the general academic distaste for "seat of the pants management", is that

² Porter (1980:151) seems to make this quite explicit when he writes: "Although vision is a scarce commodity, structural analysis can help direct thinking toward the areas of change that would yield the highest payoff."

the importance of leaders is itself controversial (Lieberson and O'Connor, 1972). In the organization theory literature, there is an ongoing debate over whether or not leaders have any real role to play and/or whether the very concept of leadership is "romantic" (Meindl, Ehrlich and Dukerich, 1985; Meindl and Ehrlich, 1987). In the population ecologists' view (Hannan and Freeman, 1977; Aldrich, 1979), organizations rise and fall with environmental currents. In a careful and cogent review of this literature, Thomas concludes that the role of leadership remains "an important issue for both organizational theory and practice" (Thomas, 1988:398).

There is a literature which, although it does not treat visionary leaders, at least insists that leaders matter, or, as Hambrick puts it, wryly, "some do, some don't" (1989:6). There are as many ways to classify a literature as there are minds to read it, but there appear to be three broad orientations, the first of which is the most prolific: the cognitive, the personality/behavioural, and the psychoanalytic. Each is rooted in the belief that we need to "bring man back in" (Homans in Zaleznick and Kets De Vries, 1975), to put leaders back into the strategy picture (Hambrick, 1989). We will examine each in turn.

The Cognitive Approach

Unhappy with the realist³ ontology of the mainstream strategy literature, scholars with a cognitive orientation are in search of the

³ Random House defines naive realism as: *"the doctrine that the world is perceived exactly as it is"*.

strategist's "mind" (for reviews see Schwenk, 1984; Stubbart, 1987; Schneider and Angelmar, 1988; Johnston, 1989). Hambrick and Mason (1984:193) note:

In the field of strategy, explanations of (and prescriptions for) organizational moves have centred on techno-economic factors (Hambrick, MacMillan and Day, 1982; Harrigan, 1980; Porter, 1980). Even when strategic "process" is studied it typically is viewed as flows of information and decisions detached from the people involved.

And Barnes (1987:129) echoes:

Much is being written about new techniques for improving the strategy formulation process (see for example, Hofer and Schendel, 1978; Steiner, 1979; Porter, 1980; Lorange, 1980). In our rush to embrace these techniques, we seem to be overlooking a critical element in the strategy process --- the capabilities of planners and decision-makers to process and use information. In strategic planning, the hard facts go only so far, and then judgement is needed...

It is not, they argue, environmental "reality" that counts as much as it is the strategist's perception of that reality (Hogkinson and Johnson, 1987). If we wish to explain variations in strategies, we need to understand variations in perception. We need to probe into the strategist's mind. Of course, to probe into "mind" we need a framework to guide us and these authors have sought their inspiration in what one recent book calls The Mind's New Science (Gardner, 1985). They have turned to cognitive psychology. "The chief appeal of cognitive sciences", writes Stubbart (1987:46), "is that

they promise to fill in the missing link between environmental conditions and strategic action".

In the empirical literature based on cognitive science, "vision" exists but is hopelessly distorted. We find that managers have biased schemas and see "threat" more often than "opportunity" (Jackson and Dutton, 1988); they exhibit considerable "blindness" (to opportunity) and "neuroticism" (threat sensitivity) in their assessment of the environment (Fahey and Narayanen, 1987). They are "blinded by scripts" like the "Detroit Mind" (Baliga and Jaeger, 1987) or the "Hawick Mind" (Fuller, Porac and Thomas, 1987) or have industry-engendered "tunnel vision" (Mitroff and Mohrman, 1987). Their strategies are, literally, ill-conceived.

A product of the past, schemas are conservative, resistant to change. Executives find it difficult to incorporate new information and are apt to "escalate commitment" to failing courses of action (Staw, 1976, 1982; Staw and Ross, 1978). Judgmental failures of this kind are responsible, it is argued, for a host of examples of strategic failure. Relying on the cognitive literature on judgmental heuristics and biases (Tversky and Kahneman, 1981; Hogarth and Makridakis, 1981), Schwenk (1984) outlines eleven different judgement errors which can distort strategy formulation. All of these distortions and errors arise, they argue, out of man's inherent limitations, namely, "bounded rationality". Cooper (1986:12) summarizes:

Bounded rationality and its consequences bears a family resemblance to what social psychologists have called our tendency towards being cognitive misers (Taylor, 1980), mindless (Langer, 1978), and lazy organisms (McGuire, 1985).

While the mainstream literature places its prescriptive hopes on providing strategists with more and better analysis, these researchers advocate cleaning up managerial cognitions, surfacing faulty schemas (Walton, 1986), releasing managers from the prison of inadequate conceptual processes.

In its insistence on bringing the strategist, qua human, back into the strategy formulation process, this stream of research has made an important contribution. The resurrected man is, however, severely limited. Borrowed from cognitive psychology, the model of man we see is that of a "fixed-capacity information processing machine" and his "mind" as a "fixed capacity device for converting discrete and meaningless inputs into conscious percepts" (Neisser, 1976:10). With this narrow view of man, this strategy literature, like its parent discipline, is unable to explain how it is that certain strategists transcend these inherent limitations to discover radically new visions.

The Personality/Behavioural Approach

While the cognitive literature rests on the assumption that people act according to what they "see", this literature takes one step back; it assumes that what people "see" and how they behave depends critically on who they "are". "Who they are" is operationally

defined according to "values" (Guth and Tagiuri, 1965), "traits" (Wissema, van der Pol and Messer, 1980; Miller, Kets De Vries, and Toulouse, 1982; Govindarajan, 1989), "motivation" (Miller and Droge, 1986), "styles" (Khandwalla, 1976/77; Mullen and Stumpf, 1987; Govindarajan, 1989), "skills" (Szilagyi and Schweiger, 1984) and "behaviours" (Leontiades, 1982).

To summarize is always to some extent to risk caricature; this review pretends only to highlight some of the more revealing work (for comprehensive reviews see Gupta, 1984; Szilagyi and Schweiger, 1984). The main burden of this research is to demonstrate important linkages between CEO characteristics and strategies. In two conceptual efforts, Wissema, Van Der Pol and Messer (1980) and Leontiades (1982) matched typologies of managers with typologies of strategies such that, for example, a strategy of "explosive growth" should be driven by a "pioneer".

Khandwalla (1976/77), developed seven strategic "styles", such as "muddling through", "entrepreneurial", and "quasi-scientific". Results from a questionnaire allowed him to identify these styles, --- "entrepreneurial", "quasi-scientific" etc --- with each of sixty-two companies and to plot corporate performance. He concluded that two "styles" are "outstanding performers" but that strategic context (environmental turbulence, for example) fundamentally affects the utility of various styles. The study remains fascinating but Khandwalla himself admits that his "styles" were constructed based on a secondary review of the literature and not on original empirical

work. The links which he postulates from personality to strategy are not formally explored. Further, because the study was cross-sectional, the author concedes that his data are silent on the direction of causality from leadership style to performance or the reverse.

In another cross-sectional study, Miller et al (1982) show some tantalizing correlational results between personality and the shape of corporate strategy. Measuring personality by Rotter's "locus of control" scale and strategy variables such as "innovativeness" and "proactiveness" through a questionnaire to twenty-four CEOs, the authors (p.251) conjecture that:

The locus of control of the chief executive influences his strategy-making behaviour, and this in turn has an impact on structure and environment. For example, internals may perceive "constraints" in the environment as loose and malleable; they turn competitors' challenges into opportunities for innovation.

The results remain fascinating but enigmatic; because the study relies on self-report data, is cross-sectional and correlational, it leaves many questions open. The authors conclude that longitudinal research is necessary to sort out the relationships between personality and strategy. The necessity of longitudinal, clinical and psychometric research is increasingly recognized (Michel and Hambrick, 1992:33).

Two of the authors of the preceding study (Kets de Vries and Miller, 1984:3) were dissatisfied with the work on other grounds. "Personality" was operationalized, as noted above, with one

psychological instrument--- Rotter's "locus of control" scale. This, they subsequently argued, was too limited and limiting:

... perhaps the most important [shortcoming] is that individuals are generally characterized along one psychological dimension or trait. So many aspects of personality and context are ignored that it is possible to unearth only the most general tendencies.

For a fuller portrait of personality and context they turn away from cross-sectional, broad sample research to clinical case methodologies, and from psychological instruments to psychoanalytic ones.

The Psychoanalytic Approach

Most of the psychoanalytic literature in management bears only indirectly on strategy formation per se and concerns itself with more encompassing managerial issues (Jardim, 1970; Maccoby, 1976; Zaleznik, 1989, Lapierre, 1988; see also the review volume edited by Kets De Vries, 1984). Some of the work, however, makes explicit connections from character to strategy. Drawing inferences from their clinical experience as psychoanalysts, Zaleznik and Kets De Vries (1975:34) developed an early typology which linked an individual's character-driven orientation to "ideas", "tactics" or "persons", to strategies labelled, respectively, "proactive", "mediative" and "homeostatic". They write (p.35), for example, that the idea-

oriented CEO, an "aggressive" individual, develops a proactive strategy designed to change the shape of the world around him:

[He] performs most easily in initiating change, that is, in acting under circumstances in which aggression and dominance govern human relationships.

If one wants to understand the source of strategy, one has to understand the character of the person who creates it. Character, as the base of affects and cognitions, personality traits and behaviours, is the source of human thought and action.

Relying on psychoanalytic and psychiatric frameworks developed in clinical settings, Kets De Vries and Miller (1984, 1987) use their combined experience as clinicians and consultants to elaborate a typology of character and various organizational outcomes. As it relates to organizational strategies, their work identifies five common "neurotic" styles and matches those styles to five strategic tendencies. Thus, for example, the strategy of a "suspicious", "paranoid" CEO will be characterized by a lack of coherence, it will be "reactive, conservative, overly analytical, diversified and secretive" (1987:111). Based as it is on rich case description and clinical insights into character, this work affords a deeper understanding of the processes at work in the formulation of organizational strategies. It gets to the heart of the matter. It treats, however, only the pathological case. There is, of course, nothing wrong with studying pathologies. On the contrary, since human behaviour lies along a continuum, pathology throws into relief

processes at work on a lesser scale in so-called "normals" and as such can be highly revealing. Table 1.1 summarizes the literature.

Table 1.1: Survey of the Literature

Approaches	Themes
Cognitive Schwenk (1984); Stubbart (1987); Hambrick and Mason (1984); Barnes (1987); Hogkinson and Johnson (1987); Jackson and Dutton (1988); Fahey and Narayanan (1987); Baliga and Jaeger (1987); Mitroff and Mohrman (1987); Staw (1976, 1982); Fuller, Porac and Thomas (1987); Walton (1986)	Managerial schemas, categories and judgements: blindness, tunnel vision, heuristics and biases, faulty schemas, resistance to new information, threat sensitivity, bounded rationality, escalating commitment
Personality/Behavioural Guth and Tagiuri (1965); Wissema, Van Der Pol and Messer (1980); Miller, Kets De Vries and Toulouse (1982); Miller and Droge (1986); Khandwalla (1976/77); Govindarajan (1989); Mullen and Stumpf (1987); Szilagyi and Schweiger (1984); Leontiades (1982)	"values", "traits", "styles", "skills", "behaviours". Strategies do and should match personalities: eg. "explosive growth" must be driven by a "pioneer".
Psychoanalytic Jardim (1970); Maccoby (1976); Kets De Vries (1984); Lapierre (1988); Zaleznik (1977,1989); Zaleznik and Kets De Vries (1975); Kets de Vries and Miller (1984,1987); Hurst, Rush and White (1989)	General influence on management Typologies of neuroses and strategies; Jungian frameworks-- Myers-Briggs

Summary and Conclusions

Kenneth Andrews and his Harvard colleagues established the intellectual hegemony of the concept of strategic management. Beginning as a flexible conceptual scheme that could take account of human affect, imagination, judgement and art, this conception was to be displaced by a more mechanistic one in which strategy-making was reduced to an economic, purely analytic, calculus. This "institutionalization" of the entrepreneurial function of management removed from senior management the responsibility of envisioning the future shape of the enterprise or made it unnecessary. Strategy-making could become technocratic.

This dominant view has been challenged on two grounds. The first challenge comes from those who argue that analysis alone cannot produce strategy. In a turbulent and complex world, strategy-makers must be in continuous touch with the marketplace and strategy itself must evolve continuously. Experience, knowledge, information-sharing processes take precedence over analysis. Strategy-making is about "craft".

The second challenge emerges from those who object to the environmental determinism implicit in both of these views of strategy. In both, the organization adapts, analytically or experientially, to the dictates of the market. These critics leave managers greater latitude to shape the environment, to practice "strategic choice" (Child, 1972). They object, as well, to the realist

ontology of the dominant school, arguing that everyone "sees" the fruit of analysis differently and differences in perception must be taken into account. These researchers insist on putting leaders back into the strategy equation.

The vast majority of studies which compose this third view, however, bring Hamlet back into the play but their Hamlet is a pretty unappetizing fellow. He is the Hamlet of cognitive psychology and one with a severely disadvantaged mental apparatus. The parent discipline of these studies is itself severely limited and limiting. It was built around the need to eliminate certain factors in human complexity which would have made the cognitive science démarche too difficult. Gardner (1985:6), himself a cognitivist, explains what had to be left out:

..., certain factors which may be important for cognitive functioning but whose inclusion at this point would unnecessarily complicate the cognitive-scientific enterprise. These factors include the influence of affective factors or emotions, the contribution of historical and cultural factors, and the role of background context in which particular actions or thoughts occur.

The cognitive scientists Miller and Johnson Laird (1976: 111-112) emphasize the critical importance of feeling just before eliminating it from their important book on perception:

The information-processing system that emerges from these remarks is fearfully cognitive and dispassionate... Since in this respect it is a poor model of a person we should add at least one more predicate to the list of those that take "person" as their

first argument... Feel is an indispensable predicate for any complete psychology and it probably lies much closer than perceive, remember, and intend, to the basic sources of energy that keep the whole system running... Nevertheless, we will have little to say about feel in the following pages. (emphasis in original)

Now, there is nothing inherently wrong with "simplifying assumptions" provided that they do not extinguish the phenomenon itself. But, in the case of human beings, to leave out affect is to leave out, literally and metaphorically, the heart and the soul of the phenomenon. Affect powers attention, recognition, perception, interpretation, thought, and action. Award-winning experimental psychologist Bower (1981:138) writes:

We found powerful effects of people's moods on the free associations they gave to neutral words. For instance, a subject who was happy was given the stimulus word life and gave as chained free associates the words love, freedom, fun, open, and joy. Another subject, who was angry, responded.., with the associates struggle, toil, fight, and compete. (emphasis in the original)

In subsequent work, he and a colleague (Gilligan and Bower, 1984:568) turned their attention to the influence of affect on memory and discovered that our moods fundamentally affect what we remember:

These results are expected by the network theory, because the emotional mood primes and brings into readiness perceptual categories and interpretive schemata that guide what people attend to as well as how they interpret it.

Zajonc (1980;1984) has experimentally demonstrated the primacy of affect over thought and in a monumental philosophical work, philosopher S.K.Langer (1967) traces the whole of human psychology and development to feeling. The work insists (1967 vol.1:23):

... the thesis I hope to substantiate here is that the entire psychological field--including human conception, responsible action, rationality, knowledge-- is a vast and branching development of feeling... Human emotion is phylogenetically a high development from simpler processes, and reason is another one; human mentality is an unsurveyably complex dynamism of their interaction with each other.

In short, understanding humans necessitates understanding their affects. This is basic, indispensable.

As the psychology of consciousness, cognitive psychology is unable to deal with affect and deals poorly, if at all, with creativity, unusualness, artistry. Psychoanalytic frameworks, rooted as they are in affect and in unconscious motivation, offer more promise. For historical reasons, however, psychoanalysis has been preoccupied with pathology. Our interest lies, instead, with understanding the motivations, thoughts and acts of relatively healthy executives as they go about shaping strategy and running organizations.

From the foregoing, it is clear that current frameworks -- cognitive or behavioural -- can not take us very far in the study of visionary strategy. It is also clear that if affect and unconscious motivation are so vitally important, cross-sectional studies using

arm's length methodologies are inappropriate for the task at hand. The next two chapters address these two shortcomings and how to overcome them. The first lays out conceptual tools, the second, methodological ones.

Chapter two: The Conceptual Framework

Aesthetics as a Source of Insight

Strategy-making, it is said, often has to do with "intuition" and with "creativity" (Mintzberg, 1979:139), with "insight", "foresight", "imagination" (Westley and Mintzberg, 1989), with "genius" (Hurst, 1986, 1989), with structural analysis as a substitute for "vision" (Porter, 1980:151) and, with "art" (Andrews, 1980:129).

Unfortunately, these are labels not explanations; they point toward something ill-understood, mysterious, ephemeral, rare. There is one domain, however, where these labels recur repeatedly, where they represent central analytic constructs, not residual categories. That place is art and aesthetics. This study takes Andrews' word literally. It explores strategy-making in the artistic mode by contrasting it with two other styles, the technocratic and the craft modes. These are the central constructs of aesthetics: art, craft and technique. By studying the artist, we learn, too, about the craftsman and the technocrat.

Apart from the fact that aesthetics provides useful conceptual categories and, apart from the fact that "vision" is the stuff and currency of art, there are other reasons to suppose that aesthetics can teach us something about strategy-making. Shaping strategy is about creating a new "form" for the organization and giving it a new posture with respect to the market. The two -- the firm and the market -- then form a new configuration, gestalt, or form. Art is the

preeminent domain of form; art expresses its new visions in new forms. Writing in the Journal of Aesthetics and Art Criticism, Stokes (1959-60:193) makes this very point:

Art cannot be distinguished from some other "useless" activities except by what in modern jargon is called Form. If that quality is much in evidence, it may please us to call conversation an art, and we may find that it is practised, consciously or unconsciously, with the predominant aim of achieving form. Then every part should have a felicitous note as if pervaded by a certain music.

Whether in literature or in painting, in music or dance, the business of art is new form to convey new meaning. Cézanne and Picasso, Proust and James Joyce, all shocked, sometimes baffled, often outraged their audiences with those new forms and those forms often take years, sometimes decades and even centuries, to find acceptance and legitimacy. When Stephen Jobs wanted to develop a "user-friendly" "computer", or Iacocca a "family" "sport's car", these terms were incommensurate, seemed contradictory. There were many skeptics. Art usually provokes skepticism before it succeeds. Art builds new outlooks only by destroying the old and ordinary mortals don't like to change their acquired outlooks.

The artist does not, of course, "decide" to break with convention; it is not purely a cognitive process, or, if it is, his work will be judged to be stilted and/or contrived (Collingwood, 1958). There is, rather, something about his very "being", his "character", his "temperament" which causes his "vision" to be unusual,

revolutionary. And, vision per se is a necessary, if insufficient, basis for art; the vision must be controlled both by craft and by technique to succeed. The "madman" may have the "vision" but lacks the control to bring it to fruition.

In fact, as we will see below, "control" is the distinguishing element between the two: too much control suffocates the vision, produces cliché; too little, leaves it in chaos. Kets de Vries and Miller (1984:41) describe the strategy dominated by too much control as "traditions embraced so strongly that strategy and structure become anachronistic" and, by too little, "inconsistent strategies that have a very high element of risk and cause resources to be needlessly squandered". Chaos.

Art occupies the ground between chaos and cliché (Sparshott, 1982:626). The purpose of art is to create new worlds, to lead man into the future. By character and temperament, the artist is separated from his contemporaries. His visions are "bridges thrown out toward an unseen shore" (Jung, 1974:314) but he must also know how to build them. Visions may be delusions or fantasies; he must be in sufficient control of them, and with reality, to craft structures to support them. The strategist, too, has visions which he is able only more or less to articulate. He, too, needs bridges, craft and technique, to build organizational structures to support his vision. What is it about the artistic character and the artistic process which is different both from madness and from arid conventionality? And, what might

it teach us about strategists, the "artists in action" (Lord Brain, 1960:16)?

The Nature and Role of Art

Philosophers have struggled for millennia to define art and an active, and sometimes vociferous, debate around the distinctions between art and craft still rages in aesthetics (Kavanagh, 1990). The notion of "fine art" as distinct from craft and technique, is a modern one, not appearing separately in an Oxford English Dictionary until 1880 (1933:467). The Greek word *techné* embraces art, craft and technique. Collingwood (1938) defines it as the "imaginative expression of emotion", Langer (1953) as the "symbolic expression of forms of sentience" and Ruskin as, "that in which the hand, the head, and the heart of man go together" (OED, 1933). Art seems to defy definition (Weitz, 1956; Eaton, 1983; Goodman, 1984).

ART AS LANGUAGE

If there has been controversy around what constitutes "art", there is more consensus around art's achievements, and indeed its purpose. British aesthetician Sir Herbert Read (1965:88) insists:

Art, in so far as it has retained its function and not become a matter for pastry cooks, has throughout history always been such a mode of revelation, of establishment, of naming.

The artist, it is argued, is an explorer for mankind and the "explorer's fumbling progress is a much finer achievement than the well-briefed

traveller's journey" (Polanyi, 1958:18). His task is to "épater la bourgeoisie", to break through the limitations of previously codified knowledge (Kaelin, 1970:254), to lead man into the future. Art, argued the British painter Constable, ought to be thought of as a branch of science (Gombrich, 1961). It investigates, it reasons. It creates symbols which facilitate thought (Langer, 1953:28):

.., a symbol is used to articulate ideas of something we wish to think about and until we have a fairly adequate symbolism we cannot think about them.

Language provides that symbol system for discursive logic but "there are whole domains of experience that philosophers deem *ineffable* (Langer, 1953:29 emphasis in the original), too great for words. Art provides then the medium, the language (Naumberg, 1955), for the expression of these ineffable thoughts. This may help us better to understand a Robert Motherwell who says, "All my life I've been working on the work---every canvas a sentence or paragraph of it" (cited in Getzels and Csikszentmihalyi, 1976:96). Or Isadora Duncan who cried, "If I could say it, I wouldn't have to dance it" (in O'Flaherty, 1984:8). Or Kaelin who writes, "the poet creates by naming things, and so bequeaths to his fellow man the gift of novel meaning" (1970:251).

Gombrich (1970:359), the eminent art historian provides a metaphor:

The history of art, as we have interpreted it so far, may be described as the forging of master keys for opening the mysterious locks of our senses to which only nature

originally held the key. They are complex locks...[and] like the burglar who tries to break a safe, the artist has no direct access to the inner mechanism. He can only feel his way with sensitive fingers, probing and adjusting his hook or wire when something gives way. Of course, once the door springs open, once the key is shaped, it is easy to repeat the performance. The next person needs no special insight.

Each attempt to forge the key, to unlock the treasure may be met with disappointment. Thus does a Giacometti destroy his sculptures almost immediately after their birth. They fail him (Sartre, 1965). They do not live up to their promise.

ARTISTIC PERCEPTION

Art, writes Sparshott, "occupies the ground between "chaos and cliché" and, quoting Fiedler (1982:626) he adds:

Artistic activity begins when man grapples with the twisted mass of the visible which presses in upon him and gives it creative form... The true artist cannot acquiesce in this phenomenal chaos.

Many aestheticians have sought the "explanation" for art in the perception of artists. For some reason, the artist is seen to be more susceptible to the world, more sensitive to its subtleties, more prone to see chaos where others see order. Some have attributed this partly to heredity, pointing to studies which show that artistic activity runs in families (Brain, 1960). Others have argued that the artist's perception is simply clearer, uncorrupted by concepts of what "should" be seen. Roger Fry (1920:29), for example, argues:

Art, then, is, if I am right, the chief organ of the imaginative life.., and, as we have seen, the imaginative life is distinguished by the greater clearness of its perception, and the greater purity or freedom of its emotion.

Perception is, of course, not simply that which strikes our sense organs. We bring structures to perception and the "explanation" of art concerns itself with the artist's "inner life" as much as with his apparent reactions to the visible world. Here, as Fry notes above, the imagination is King. The artist is someone more attuned to the rhythms of his inner world of imagination, fantasy, dreams. The poet Spender writes that he is "aware of a rhythm, a dance, a fury, which is yet empty of words" (1964:47). And, Coleridge apparently crafted his dream-like "Kubla Khan" in a reverie. It remained unfinished because a "man from Porlock" interrupted its production. In artistic circles, avoiding the "man from Porlock" is an article of faith and represents the artist's resolve not to allow his inspiration to be dissipated by the trivialities of daily life.

The dream-like quality of art is nowhere more evident than in modern surrealism. Whether it be stream-of-consciousness literature evident in Proust or James Joyce, or in the paintings of a Marc Chagall (see plate one, Appendix) these works seem to capture not only the fleetingness of dream reality but also the "strangeness" of forms and images. Time, space and concept lose their imperious control over shape and substance.

What the true artist does or does not bring to perception is highlighted by an intriguing study by two psychologists. They presented artists with a random collection of objects and the artists were asked to produce a drawing. The works were then judged for creativity by a panel of experts. Among those whose work was judged to be of highest artistic merit there was no preconception of a final design, the design remained "open" to the experience of its own evolution. Works of lesser merit, on the other hand, seem to be the product of more stereotyped reactions. They conclude (Getzels and Csikszentmihalyi, 1976:154) that the student who proceeds immediately does so because his or her appreciation of the design problem is stereotypic, a cliché:

The student who "sees" the [design] problem and its solution "right away" may do so only because he adopts a known formulation; he does not need to discover anything but simply retrieves a configuration of forms and meanings encountered beforehand and fits the elements presented in the environment into the preconception. The student who holds the problem "open", who does not foreclose the emergence of a new pattern .., is attempting, consciously or otherwise, to discover an unknown meaning hidden in the forms. In a sense, one looks on the problem as familiar, the elements as new; the other looks upon the elements as familiar, and the problem as new.

As we will explore in further depth below, art seems to involve both destruction and creation; destruction of old forms, old Gestalts, in the service of the new, or, as Barron puts it, "the structure of the world must be broken then transcended" (1983:309). Some artists seem to have understood this basic dialectic; Schnier, writing in the

Journal of Aesthetics and Art Criticism (1957-58:69), quotes Picasso and Schiller:

Thus, no less gifted an artist than Picasso confesses that, "a painting moves forward to completion by a series of destructions". And, the poet Schiller wrote, "What would live in song immortally/ must in life first perish".

To suggest that the everyday structure of the world must first be broken and that the world of dream-like images given precedence is not to suggest that art is but a dream or fantasy, a pure product of the unconscious. Consciousness controls the production of the creative product but it seems to work on a fragment, a hint, a foreshadowing not directly given to it. This is why the act of creation is anything but the tidy transcription of the image. It takes work, often agony. Spender says of his own poetic inspiration that there is "but the dim cloud of an idea which I feel must be condensed into a shower of words" (1964:40). Ducasse stresses this open-endedness of art and the fragmentary nature of the inspiration when he writes, "the feeling that the work of art comes to embody may be there only as a germ ab initio" (1964:82). More clearly still, French philosopher Merleau-Ponty (in Sparshott, 1982:623) suggests:

There is nothing but a vague fever before the act of artistic expression and only the work itself, completed and understood is proof that there was something rather than nothing to be said.

If the artistic enterprise is then an attempt to build a new intellectual home for man, a new order more suitable to his growing

capacities, it must break with the past and shape new forms out of the broken chaos.

Unfortunately, or fortunately depending on one's perspective, Aesthetics brings us to the door of chaos but cannot enter. Philosophy has little concerned itself with the "how" of creation, the nature of the artist. Psychology has attempted to fill the vacuum.

PSYCHOLOGY AND THE ARTS

Welcome, O life! I go to encounter for the millionth time the reality of experience and to forge in the smithy of my soul the uncreated conscience of my race.

(James Joyce, A Portrait of the Artist as a Young Man)

Cognitive psychology has branched in two directions with respect to creativity. One stream of research has sought to understand the, shall we say, cognitive correlates of creativity (for reviews see Albert, 1983). Here we find that creativity is a product of "divergent thinking" (Guilford, 1950), "lateral thinking" (DeBono, 1970), "productive thinking" (Wertheimer, 1945) and creative persons exhibit "flexibility", "originality" and "cognitive complexity". Winner (1982:35) summarizes the psychologist's research on creativity:

To begin with, one needs a dose of that mysterious substance "talent". And this talent is most likely associated

to a particular symbol system... To this dose of skill with a symbol system, add several other cognitive capacities: the ability to perceive connections where other perceive only disparity, and the disposition to search for new problems where others are content to work on old ones. Finally, add a certain personality structure, one fuelled by powerful drives that the individual is able to rechannel into artistic work, and one characterized by strength, independence and the will to succeed.

This research has shown us that certain things are associated with creativity but it does not teach us how; it sheds no light on the creation of new forms. It is not equal to the task of explaining great vision. Edith Sitwell says of T.S.Eliot, "here we have a man who has talked with fiery angels, and with angels of a clear light and holy peace, and who has walked among the lowest of the dead" (in Collingwood, 1938:27). Cognitive "flexibility" is hardly sufficient cause of such images and cognitive psychology is thrust back upon the mysterious, but analytically vacuous, "talent" for an explanation.

The second stream of research dating from Wallas (1926) has sought to describe the stages of creative productions. Wallas himself suggested that the creative process follows a series of four steps: preparation, incubation, illumination and verification. Inspiration comes to the prepared mind, the trained mind, but only after a period in which consciousness lets go its hold on the problem---the period of incubation. Testimonials from creative people have tended to confirm these steps (see, for example, Poincaré in Ghiselin, 1952). Subsequent researchers extended and elaborated Wallas' work with Rossman (1931) and Osborn (1953) enumerating seven steps. We

are not told, however, what goes on in each stage. The work is descriptive not explanatory. Arieti (1976:19) writes:

The crux of the problem is to understand how Wallas' first two stages bring about illumination and how Rossman's and Osborn's first five stages bring about the sixth. But the authors of these theories do not even begin to search how this happens. In their terms it "just happens".

If we are to begin to understand what goes on during "incubation" we must move beyond the confines of consciousness. For this other perspective, we must turn our gaze to the science of the unconscious --- psychoanalysis.

ART AND PSYCHOANALYSIS

Consciousness, as cognitive psychologists have amply demonstrated, is essentially conservative. It is wedded to past schemas, concepts, gestalts. Only slowly does it adapt or accommodate to new views of reality (for reviews see Gardner, 1985; Neisser, 1976). In evolutionary terms, consciousness gave man the firm grip on reality that he needed to survive. A world seemingly constantly in flux would prove unmanageable. At the risk of committing a teleological excess, however, nature would have done well to provide for some mechanism to dissolve the gestalt and that mechanism may be the unconscious. It seems clear that among those

great creative minds that have always and everywhere altered the course of history, it is at work. Scholar and student of creativity and of art, Brewster Ghiselin (1952:23) comments that only the courageous dare to listen to its messages:

It may be that the threat of dissolution [of the gestalt] is so great that men have developed their conservatism as a necessary guard against the dispersal of the order they live by. Whatever the cause, the tendency to distrust the widest and freest ranging of the mind is so strong that the changes necessary for the development of human life could not be attained without the efforts of the more daring and ingenious of mankind.

INSPIRATION IS OFTEN FRAGMENTARY

Surrender to the "freer and more plentiful activity which transcends that of schematic consciousness" is a characteristic of the minds of "the artist Michelangelo, of Caesar the man of action", Ghiselin adds. But, self-surrender is not easy; it is fraught with peril and the fear of total loss of control, madness, -- the death of the conscious ego. One of the reasons for our fear, he continues (1952:24), is that the unconscious does not give clear messages:

Even when one has recognized the controlling centre of life as lying outside the ego and the preoccupations of conscious life and has learned to look away from these, submitting to its guidance may be difficult.. Much of the difficulty comes of the slightness and the often doubtful character of the means by which the guidance is asserted. The first intimations are likely to be embodied in apparently trivial things... Henry James describes these germinal trivia from which his stories developed as typically minute and

superficially bare, but extraordinarily rich in their intimations of developments to be revealed.

Descriptively, the fragmentary, fleeting and elusive quality of artistic inspiration corresponds to the testimony of artists. Compare, for example, Spender's description of a "dim cloud of an idea".

Beethoven is said to have composed the whole of the ninth symphony beginning from one small fragment of a point of transition between two, as yet unconceived, movements. The fragment contained the "rich" possibilities which he worried and teased into a full work of art (Ehrenzweig, 1967). The unconscious contains "the treasure lying within the field of dim representations, that deep abyss of human knowledge forever beyond our reach" (Kant in Jung, 1976:119).

PSYCHOANALYTIC AESTHETICS

But how is it that the unconscious can produce these images and possibilities however fragmentary or full-blown? Freud and his disciples were the first to attempt to tackle the question. Freud's aesthetic doctrines grew out of his clinical experience with neurotic and psychotic patients. It was with them that he developed his technique of dream interpretation, the "royal road to the unconscious". At least the early Freud (Marcuse, 1958) believed that when consciousness, the ego, released its hold, as it did in dreams, we

are given a glimpse of the unconscious at work. It is a world of contradiction, ambiguity, condensations, and displacements. It is the domain of the "id", where the repressed and unacceptable contents of consciousness, particularly of a sexual or aggressive nature, have been buried. But these contents are not dead; they live in fantasy and in dream and, in art. Art, like dreams, is "wish fulfillment" (Marcuse, 1958:5):

According to Freud, art arose as a substitute for instinct satisfaction, "protecting" men during their painful transition from the pleasure principle to the reality principle.

Freud illustrated his theory using a painting by Leonardo Da Vinci. Here, Leonardo has painted a beatific scene of the Virgin, Saint Anne and the Christ child. For Freud the content of the painting is a clear representation of Leonardo's attempted reconciliation of his mother, step-mother and himself. Leonardo, the illegitimate offspring of his father and a peasant woman, had been raised in his father's home and, for Freud, this created in him unbearable conflicts which manifested themselves in his art. Many of Freud's disciples followed this same path and interpreted works of art in relation to the biographies of the artist (see, for example, Klein, 1929; Sachs, 1951).

Needless to say, the psychoanalytic view of the origins of art was greeted with much scepticism in aesthetic circles. Dr. D.A. Richards wrote (in Collingwood, 1938:29) of it:

To judge by the published work of Freud upon Leonardo da Vinci or of Jung upon Goethe psychoanalysts tend to be peculiarly inept as critics.

But the most trenchant criticism of Freudian aesthetic doctrines came from his former student and colleague, Jung (Philipson, 1963). Jung's critique stemmed from his general, and often vitriolic, criticism of Freudian theory per se.

JUNGIAN REVISIONISM

The unconscious, Jung argued (1971:274), was not merely the repository of unacceptable urges and instincts. It contains as well:

- (1) elements too weak to reach consciousness, subliminal impressions;*
- (2) inherited behaviour traces constituting the structure of the mind;*
- (3) fantasy combinations which have not yet attained the threshold intensity to reach consciousness*

Thus, while for Freud images which appear in dreams or in art are symbols of unconscious infantile conflicts, for Jung they may be this, but much more. And, the more these personal conflicts are evident in art the less great it is, the less it speaks to mankind as a whole. He writes (1971:308):

If we were to interpret Plato's metaphor [of the cave] in Freudian terms we would naturally arrive at the uterus, and

we would have proved that even a mind like Plato's was still stuck on a primitive level of infantile sexuality... but this would have nothing whatever to do with the meaning of Plato's parable.

This tendency to reduce the images of art to "symptoms" of neurotic conflict debases art's currency. Jung adds (1971:306, emphasis in the original):

It [the reductive method] strips the work of art of its shimmering robes and exposes the nakedness and drabness of homo sapiens, to which species the poet and the artist also belong. The golden gleam of artistic creations is extinguished as soon as we apply to it the same corrosive method which we use in analyzing the fantasies of hysteria. The results are no doubt very interesting and may perhaps have the same kind of scientific value as, for instance, a post-mortem examination of the brain of Nietzsche, which might conceivably show us the particular atypical form of paralysis from which he died. But what would this have to do with Zarathustra? Whatever its subterranean background may have been, is it not a whole world in itself, beyond the human, all-too-human imperfections, beyond the world of migraine and cerebral atrophy?

For Jung, the source of creative imagery, new forms, is not only what he dubs the "personal unconscious", itself the repository of the individual's life experiences, but also something "below" it --- the "collective unconscious". It is well beyond the scope of this study fully to explain the "collective unconscious" or to debate its merits. Let us say only that, for Jung, the mind is both ancient and new. It contains "archetypal imagery", an imagery which reflects itself in the myths and fables, dreams and fantasies of all cultures and all times.

These images are not so much inherited ideas but, rather like physical instincts, inherited tendencies to view the world in a certain way. They bear some resemblance to Plato's "forms" and to Kant's *a priori* "categories". They give shape or form to new contents.

Jung's notion of the "collective unconscious" remains highly controversial but his appeal to depths beyond the personal unconscious, beyond "infantile regression" has influenced other researchers of both Jungian and Freudian persuasion. Defining art as "a creative reorganization of those very conditions to which a causalistic psychology must always reduce it" (Jung, 1971:309) opened the door to a more fruitful approach. His reflections on the manner in which the unconscious breaks the hegemony of consciousness remain influential. Finally, he argued persuasively that both in art and in dreams the unconscious produces not "signs" but "symbols". A "sign" or symptom refers back to a known phenomenon (eg a neurotic complex) whereas a genuine "symbol" is the "best possible expression for something unknown --- bridges thrown out toward an unseen shore" (1971:314). What dream symbols promise for individual growth in understanding, art symbols promise for the culture as a whole. This view remains a source of inspiration in psychoanalysis and meets aesthetics on its own ground.

As we have seen, the unconscious is characterized by indeterminacy, by ambiguity, by, what by conscious standards would be called, contradiction. Good can trade places with evil, black with white. Jung compares it to a "shapeless life mass" reminiscent of the

alchemical "chaos" (1971:393). And, we have seen that the artist's mission is to forge from "chaos" a new order. But, how does the artist gain access to this primordial chaos?

Many, Jung included, struggle to find words to describe the mind's operation and often are forced to metaphor. Thus does Jung describe a "partition" between consciousness and the unconscious and Arieti uses "contact barrier". For all, however, there is a continuum of relationship between the two. The contents and forms of the unconscious spill too easily into the conscious mind of the neurotic. The psychotic is so utterly overwhelmed and flooded by these contents that consciousness is destroyed. The rigid compulsive is so fearful of any unconscious influence that his consciousness dries up "in banal, empty, arid rationality" (May, 1975:62). Jung writes (1971:275):

The definiteness and directedness of the conscious mind are extremely important acquisitions which humanity has bought at a very heavy sacrifice, and which in turn have rendered humanity the highest service. Without them science, technology, and civilization would be impossible, for they all presuppose the reliable continuity and directedness of the conscious process... We may say that social worthlessness increases to the degree that these qualities are impaired by the unconscious. Great artists and others distinguished by creative gifts, are, of course, exceptions to this rule. The very advantage that such individuals enjoy consists precisely in the permeability of the partition separating the conscious and the unconscious.

If we accept, however tentatively, this metaphor of a "partition", what is it that floods into view from the unconscious?

BREAKING THE GESTALT OF CONSCIOUSNESS

British psychoanalyst Marion Milner has written insightfully on the artistic process. As a painter herself, she has had a lifelong interest in the psychology of the artist. Describing an experimental painting session in which she was engaged she writes (1987:8, emphasis added):

I noticed that the effort needed in order to see the edges of objects as they really looked stirred a dim fear, a fear of what might happen if one let go one's mental hold on the outline which kept everything separate and in its place...

She continues that consciousness insists upon "clinging to the world of fact, of separate, touchable solid objects" because "to cling to it was therefore surely to protect oneself against the other world, the world of imagination" (1987:9).

Consciousness seems to cling to the good gestalt because that is its principle of operation. It discerns pattern and form in order to orient the individual in time and space. It differentiates, distinguishes (or creates where it cannot distinguish) "figure" from "ground". Ehrenzweig (1967:11) discusses the gestalt properties of conscious perception:

From the undifferentiated mosaic of the visual field we are compelled to select a "figure" on which attention concentrates while the rest of the visual data recedes and fuses into a vague background of indistinct texture... The gestalt principle not only governs the selection of the best pattern from within the visual field, but it will also actively

improve it. Little gaps and imperfections in an otherwise perfect gestalt are filled in or smoothed away. This is why analytic gestalt vision tends to be generalized and ignores syncretistic individuality.

The author goes on to contrast this conscious vision with what he calls "syncretistic" or unconscious scanning and Milner calls the "wide unfocussed stare". This other "vision" is more "undifferentiated", more democratic. It does not impose form, gestalt, but instead surveys the whole field of detail with an "uncompromising democracy". It is this second kind of vision which serves the young child and the artist (Ehrenzweig, 1967:22).

Paul Klee spoke of two kinds of attention practised by the artist. The normal type of attention focuses on the positive figure that a line encloses, or else --- with an effort --- on the negative shape which the figure cuts from a ground... He says that the artist can either emphasize the boundary contrast produced by the bisection of the picture plane; in which case he will keep his attention on one side of the line he draws; or else he can scatter his attention and watch the simultaneous shaping of inside and outside areas on either side of the line, a feat which the gestalt psychologists would consider impossible.

One wonders how the Braque painting (Plate two, Appendix) could have been produced without this second kind of vision.

The child, Ehrenzweig continues (1967:11), begins with this undifferentiated vision and "learns" the gestalts. Since he cannot penetrate the infant's mind, he cites studies of the newly-sighted to show that, for them, the visual world is a buzzing confusion in which

no "good gestalts" emerge automatically. They must be learned, often with painful effort.

THE TRIUMPH OF "GROUND" OVER "FIGURE"

The "democratic" unconscious scanning allows the artist to take in the whole of the canvas and not its various, isolated, "figures" since, for the artist, nothing in the painting can afford to be treated as "ground". Indeed schizophrenic art, while productive of interesting forms, has just this character of isolated elements and none of the organic unity which characterizes great art; this because the schizophrenic clings frantically to consciousness, fearful of the "abyss" lurking on the other side (Arieti, 1976).

There is something about the focused stare of consciousness which actually impedes vision. The mathematician Hadamard, for example, counselled his students to shift their attention away from the overall problem and urged them to concentrate instead on some insignificant detail of a calculation in order to free their imagination to see new form (Ehrenzweig, 1967:37). In a similar vein, Polanyi argues that in order to "find a novel solution we must concentrate on it by considering the "particulars"; to look at the "unknown" seems paradoxical" (1958:128).

Although the unconscious is, to use Ehrenzweig's terminology, "undifferentiated", it nevertheless has some dynamic property which

in fact finds order in apparent chaos. Milner (1987:80) tries to describe this dynamic:

... it seemed that an inner organizing pattern-making force other than willed planning seemed to be freed, an inner urge to pattern and wholeness which had become embodied in the product for all to see.

Sir Herbert Read (1965:145), too, offers a similar description:

To the extent that we allow our sensibility to be guided by this shaping power, this "dream of vigilance and tension", and exclude all judgements and prejudices proceeding from the ego (which Plato called the 'lie in the soul') to that extent we are true poets and worthy to receive the truth revealed by the Muse.

Following in Freudian footsteps, many analysts have argued that art was a "kind of wild-life preserve" (Waelder, 1965:94) to which we escape when reality is too difficult. We "regress" from "secondary processes" to "primary processes". In common with Milner and Ehrenzweig, Arieti (1976:62) disputes this escapist connotation and argues that this reversion to what he calls the "endocept" is a normal rhythm of the healthy ego. He writes:

We should not believe that the conceptual life that returns to an endoconceptual level does so only because a person needs to escape from anxiety, neurosis or danger; the creative person also needs to escape from established or reputedly valid systems of order. That is he has sensed a defect, or incompleteness, in the usual order of concepts, or has some other motive for dissatisfaction with it. Thus he brings part of his mental activity back to the state of amorphous cognition, to that great melting-pot where suspense and

indeterminacy reign, where simultaneity fuses with sequential time and unsuspected transmutations occur.

In the "melting-pot" of the unconscious primitive identities are fused, classes are constructed not by comparison of elements, one-by-one as in conscious concept-formation, but by odd similarity. One schizophrenic patient of Arieti's, for example, claimed that she was the Virgin Mary: The bizarre syllogism went something like "I am a virgin, Mary was a virgin, I am the Virgin Mary" (Arieti, 1976:69). The same patient thought that, although she had two boyfriends, she had only one because both played the guitar. This is surely reminiscent of the mainstream literature's finding that creativity lies in the capacity "to perceive connections where others perceive only disparity" (Winner, 1982:35)). But, whereas the artist forms useful and intelligible new associations, the schizophrenic produces meaningless "clang associations" like "Chuck, luck, buck, True, two, Frame! Name! Shame!" (Arieti, 1976:79; see also Challem, 1978).

Although working in a tradition that includes both Freud and other celebrated Freudians (Melanie Klein, Winnicott), Milner (1987:251), too, began to feel uneasy with the notion that reversion to the primary process was an escape:

...[it was] a shoe beginning to feel too tight. The term was primary process. I had been taught that this was a form of archaic thinking that had to be outgrown...

Instead it serves an integrative function. She continues:

As such it is not something to be grown out of, but, rather, is complementary to secondary process functioning, as necessary to it as male and female are to each other. It is the primary process that enables one to accept paradox and contradiction, something that secondary process does not like at all, being itself bound by logic, which rejects contradiction.

As the creative ego swings downward it finds "a porous, permeable structure that is utterly mobile and ready to absorb new serial structures in its wide amoeba like embrace" (Ehrenzweig, 1967:261) where new forms can coalesce without hindrance, without prejudice. Admirers asked Goethe what his novel Werther was about. He replied (in Schnier 1957-58:98):

This made me very angry and I insulted a good many people. For, in order to answer the question, I would have had to take my little book, over which I had brooded so long in order to fuse its various elements into a poetic oneness, and tear it to bits again and destroy its form.

Goethe "brooded" over his book and remained convinced that all new "forms" were the unconscious product of that brooding.

It seems then that the artist is someone with a peculiar susceptibility, or sensitivity both to the outer world of reality and to the inner world of the unconscious. He lives on the vibrant edge of both worlds. But, this is a precarious perch. It must require a particular strength, balance, control to maintain it. Ehrenzweig (1967:35) summarizes:

It can be stated as a general law that any creative search involves holding before the mind's eye a multitude of choices that totalling defeat conscious comprehension. Creativity remains closely related to the chaos of the primary process. Whether we are to experience chaos or a highly creative order depends entirely on the reaction of our rational faculties. If they are capable of yielding to the shift of control from conscious focusing to unconscious scanning the disruption of consciousness is hardly felt.... If, however, the surface faculties react with defensive rigidity and insist on judging the contents of dedifferentiation from their own restricted focus, then the more scattered, broadly-based imagery of low-level visualization impresses us as vague and chaotic. In illness, the surface faculties tend to react defensively in this way. They tend to crumble catastrophically as they try to resist the surge of undifferentiated phantasies and images. The schizoid fear of chaos turns into terrible psychic reality as the ego disintegrates.

Thus far we have explored the mechanism of the unconscious, its "primary process" principles of operation and how the artist gains access to it. But it should by now be obvious that it is the "rational faculties" that allow him to fashion a useful product. As Ghiselin (1952:25) insists:

This is not to say that all that excites the mind in this way will lead to creation. The desired new order implicit in the stir of indeterminate activity cannot be seized in the abstract: it must crystallize in terms of some medium in which the worker is adept. Without craft it will escape.

As we have seen the "rational faculties" can sometimes be overwhelmed. The true artist has the capacity to coordinate the two realms but is also someone who must sometimes pay a high price for his peculiar gifts, his special insights -- insights which his own

generation may be incapable of assimilating. From the beginning of time, in fact and in folklore, the artist and the madman have been equated. In Phaedrus Plato wrote (Sparshott, 1982:616):

The person who comes to the doors of poetry without madness from the Muses, convinced that technique will have made him an adequate poet, gets nowhere; the poetry of the self-controlled is annihilated by that of the crazed.

We turn now to an exploration of the artistic personality.

THE ARTISTIC PERSONALITY

*Man was made for Joy and Woe;
And when this we rightly know
Thro' the World we safely go
(William Blake, "Auguries of Innocence")*

Cognitive psychology has explored in some detail the personality "correlates" of creative persons. Strikingly like entrepreneurs, they are found to have a high "need for achievement", an "internal locus of control" and they are "energetic" and "self-reliant" (Albert, 1983:27). Their departures from the "well trodden paths" cause cleavages and tensions in their lives. Thus:

..., it is not surprising to find that creative persons are tense, irritable, and "pulled-in" while engaged in creative operations. Clearly, it is in the emotional domain that creative, eminent persons are most distinctive from their equally intelligent but less creative and less eminent controls.

Surveying the literature Cattell (1983:283) concludes that biographical material supports the test results:

Cavendish hiding from society in a remote wing of his mansion. Newton forever wandering on the "strange seas of thought, alone", Einstein remote in the patent office library, Darwin taking his solitary walks in the woods at Down -- these are the epitome of the way of life of the creative person.., this introversion and intensity is the essence..,

Barron, the dean of American creativity researchers, has conducted innumerable studies of creative persons. He (1983) finds, among other things, that they exhibit a distinct "preference for complexity, asymmetry, and the challenge of disorder". They score much higher on tests of "intuition" than the general population. But, he concludes, it is the artist's inner life which reveals the most interesting contrasts (1983:307):

The really striking differences between writers and other groups, however, lies in the general area of fantasy and the originality of perception... An unusually high percentage (40%,in fact) of creative writers claimed to have had experiences either of mystic communion with the universe or of feelings of utter desolation and horror... Other experiences of an unusual sort were also described, such as being barraged by disconnected words as though one were caught in a hailstorm, with accompanying acute discomfort...

Being "barraged by disconnected words" sounds suspiciously like an invasion of the undifferentiated, unconscious material which we had

occasion to examine earlier. We will return to "mystic communion" and "horror" below.

Other revealing results of Barron's work have to do with the artists' psychic functioning. Using the Minnesota Multiphasic Personality Inventory (MMPI) which was "designed to measure the resemblance of those who take the test to certain diagnostic groups in a mental hospital setting", Barron discovered that "distinguished writers score particularly high on scales measuring schizoid, depressive, hysterical, and psychopathic tendencies" (1983:306). Paradoxically,:

In spite of obtaining high scores on measures of pathology, all three groups of writers also obtained distinctly superior scores on the MMPI scale which we developed first of all for prediction of recovery from neurosis, and which other evidence indicates is a good measure of strength of the ego.., if one is to take these results seriously, the writers appear to be both sicker and healthier psychologically than people in general.

This seemingly paradoxical result ought not be surprising in light of what we explored above. The artist does have greater access to material which consciousness judges to be bizarre. He lives, as we said, on the knife edge of the two realms. But, that he can maintain this perch suggests that he is very strong. Thus Barron's measure could be predicted to show "ego strength". The schizophrenic, on the other hand, would not; he cannot withstand the onslaught of unconscious material.

VOLATILE MOODS

The folkloric view that the artist and the madman are one and the same --- a view which is statistically unsupported --- no doubt arises from the moodiness which has characterized the lives of artists. This "moodiness" seems to oscillate more or less frequently between Blake's poles of Joy and Woe, between mania and depression, between periods of furious activity and terrible droughts. Da Vinci's and Monet's depressions were legendary, Van Gogh's, lethal. Lord Brain, a student of both aesthetics and psychiatry, writes (1960:21):

The form of insanity which is most closely related to genius is cyclothymia, the manic-depressive state. Many men of genius have either been cyclothymes or have been cycloids with a family history of cyclothymia.

Brain goes on to cite various instances of cycloid types including the poets Smart, Cowper and Clare, Goethe, Hugo Wolf the composer, and Isaac Newton who at 50 experienced fits of depression and delusions. Brain elaborates on the life of Dickens (ibid:119):

I have suggested before that Charles Dickens was a cyclothyme. His prevailing mood was one of elation which gave him his enormous gusto and energy which, apart from his prolific inventiveness, was always overflowing into long walks, parties and amateur theatricals. [But] His son, Sir Henry Dickens, speaks of his father's 'heavy moods of deep depression, of intense nervous irritability, when he was silent and oppressed'. Dickens himself [wrote] 'I am sick, giddy and capriciously despondent.., I have bad nights, am full of disquietude and anxiety.., my wretchedness just now is inconceivable'.

Brain is quick to deny the equation between art and madness but insists on the abnormality of the artist adding, "... abnormal in the statistical sense, but not in the least pathological. just as... there are some exceptionally tall and some exceptionally short people who are thus statistically abnormal and perfectly healthy" (1960:125).

Clinically, manic-depression presents its two faces: as the complete catatonic withdrawal from the world, total loss of interest, and no energy or self-esteem followed by; bouts of irrepressible energy, sleeplessness, feelings of omnipotence (these are the Christs and Napoleons who populate the hospital wards), grandiose planning (Georgotas and Cancro, 1988; Klein, 1935,1940). In the "normal" cycloid, this catatonic withdrawal may take the form of depression and anxiety while the feelings of omnipotence may pale to a boundless optimism.

Klein argues that the two principle defences which operate to combat the depression --- both based on denial --- are mania and obsession. One ignores the disintegrated elements of reality (mania), the other is obsessed with them and is therefore blind to the "big picture". Klein explains (1940:155, emphasis in the original):

With this goes his [the manic's] tendency to conceive of everything on a large scale, to think in large numbers, all this in accordance with the greatness of his omnipotence... His tendency to minimize the importance of details and small numbers, and a frequent casualness about details and contempt of conscientiousness contrast sharply with the very meticulous methods, the concentration on the smallest things, which are part of the obsessional mechanism.

It seems that the ego rhythm which swings the artist from conscious to unconscious processes takes the same form as it swings between depression and joy. In some sense, as the unconscious prepares the ground for the conscious creation of new forms, so the depression prepares the ground for the elation which follows. This is not to form an equation between despair and the unconscious on the one hand and elation and consciousness on the other but only to suggest that their forms are similar. British psychoanalyst Hanna Segal (in Read, 1965:62) offers:

All our analytical experience as well as the knowledge derived from other forms of art suggest that the deep experience embodied in the classical work of art must have been what we call clinically, a depression, and that the stimulus to create such a perfect whole must have lain in the drive to overcome an unusually strong depression.

This state may correspond to the "mystic's 'dark night of the soul', in which all sense of the love and presence of God is lost, often said to precede illumination" (Milner, 1987:270). It may also correspond to the "visions of horror" experienced by Barron's artists mentioned above.

If it does, it may be the necessary ground on which the illumination is built. The loss of interest in the external world characteristic of depression may provoke a corresponding activity in the inner world. The depression is followed by the elation of discovery and this elation is often characterized as Barron's "mystic communion with the universe", an overwhelming feeling of peace

and joy, an end to anxiety. Ehrenzweig feels that psychoanalysis has neglected the importance of this elation (1967:191):

This important constructive role of manic fusion in creative work has not yet obtained a secure place in the psychoanalytic literature...

Milner (1987:85) echoes:

Thus Rank's and Sach's statement [that oceanic fusion is an infantile regression] does not draw attention to the possibility that some form of artistic ecstasy may be an essential phase in adaptation to reality, since it may mark the creative moment in which vital and new identifications are established.

If we take seriously the teleological speculations offered earlier, then the unconscious may well be the mechanism that nature chose to break the gestalts of consciousness in order to facilitate man's survival and adaptation.

The finished work of art is, of course, not the end of the story. Faced with the anxiety of chaos or disintegration, the ego seeks to restore wholeness and, importantly, perfection. Klein (1940:125) writes:

..., thus the effort to undo the state of disintegration to which it has been reduced presupposes the necessity to make it beautiful and 'perfect'. The idea of perfection is moreover, so compelling because it disproves the idea of disintegration.

But no object can be "perfect" and therefore the cycle of depression and elation recommences. Consciousness is never able fully to capture the image or vision that leads it. Our words are always inadequate to our ideas, Giacometti's sculptures always inadequate to his vision. Thus, a new despair sets in, followed, it is to be hoped, by a new synthesis in an endless cycle.

The Ideal Types

The "Artist" ideal type

The object of our voyage into the domain of art was to discover the character of the artist and the nature of his enterprise. Art is "consciousness moving at the frontiers of established knowledge" (Collingwood, 1938; Ghiselin, 1952; Sparshott, 1982). In the words of modern philosopher George Santayana (1905:56), "man's progress has a poetic phase in which he imagines the world, then a scientific phase in which he sifts and tests what he has imagined". We depend, as a civilization, on the artist's vision; it is he who forces us, often reluctantly, to change our ways of seeing. His visions stem not from some conscious need to be rebellious, but from his character. He is peculiarly susceptible to the outer and inner world; he lives, tenuously, at their frontier. Our search has permitted us to construct an "ideal type", "the artist", and not an artist, a set of descriptors which might represent, let us say, every artist in general and none in particular. "The artist" will evidence a frustration with conventional wisdom, a willingness, even a need, to depart from it. This will stem

from his character, a character which will have a "cycloid" base which causes him to be subject to bouts of depression and moments of elation. In those periods of elation, he will have lots of ideas. To others he will seem "intuitive", "imaginative", "unpredictable", "volatile", "emotional"; some may believe he lives in a world of dreams.

The "Technocrat" ideal type

To see the artist clearly, we have need of a contrast. If what predominantly characterizes the artistic character is his capacity to alternate between consciousness and the unconscious, to live on the frontier without becoming ill, then what characterizes his opposite is that he cannot. Above, May referred to the "compulsive" character who is so fearful of unconscious contents that his consciousness dries up in "banal, empty, arid rationality" (1975:62). If the "artist" is typified by a reaction against conventional wisdom, the obsessive-compulsive clings to it, conforms to it, deifies it. In trying to impede the flow of unconscious material, the compulsive succeeds in stultifying all affect. Far from volatile, in general, he exudes emotional control, even rigidity. Reich called these people "living machines" (1949:199). Machines rarely get "hunches"; the "technocrat" will rarely be described as "intuitive". What counts for him is the "facts", "rules", the "right way to do things". Shapiro describes the compulsive character (1965:28):

These people seem unable to allow their attention simply to wander or passively permit it to be captured. Thus they

rarely get hunches, and they are rarely struck or surprised by anything. It is not that they do not look or listen, but they are looking or listening too hard for something else. For example, these people may listen to a recording with the keenest interest in, and attention to, the quality of the equipment, the technical features of the record, and the like, but meanwhile hardly hear, let alone are captured by, the music. In general, the obsessive-compulsive person will have some sharply defined interest and stick to it; he will go after and get the facts -- and will get them straight -- but he will often miss those aspects of the situation that give it its flavour or its impact. Thus, these people often seem quite insensitive to the "tone" of social situations. In fact -- such is the human capacity to make a virtue of necessity -- they often refer with pride to their singlemindedness or imperturbability.

Playfulness is not on the agenda for these people. Spontaneity is ruled out. They are stubborn and will brook no interference with their plans which are, after all, based on the "facts". Their chief defense mechanism is intellectualization. Because they are most comfortable with detail, with "fact", they often evidence "technical virtuosity and ingenuity" (Shapiro, 1965:41) and this is their great strength. In management, we need only think of the accomplishments of Frederick Winslow Taylor, his obsessional time and motion studies, to see both the virtues and the difficulties of this character pattern. His system was ingenious but he missed the affective "tone" of the controversy it engendered. For him, it was simply based on the "facts", facts which are, by definition, affectively neutral. Of course, a person, or a "society which believes in magic, witchcraft and oracles, will agree on a whole system of "facts" which modern men regard as fictitious" (Polanyi, 1958:240).

The "Craftsman" ideal type

As noted earlier, the distinction between craft and art continues to provoke considerable debate within aesthetics. When does craft become art, are they two discrete categories or do they exist on a continuum, are just some of the questions which plague philosophers. Not qualified to participate in this debate, we have left the issue of craft to one side while we explored the domain of great art. Now we return, not to the debate, but to a set of descriptors about craft, to define "the craftsman" ideal type.

If, with Santayana, we believe that man's progress has a "poetic phase" which corresponds to art, and a "scientific phase", which, here, corresponds to "technique", it also has a "craft" phase where what is "found" with art comes into use and is transformed, concretized, shaped, sculpted, by experience. Samuel Johnson, the great British satirist, was probably wrong when he said, "You cannot with all the talk in the world, enable a man to make a shoe." (in Sparshott, 1982:198). Writing before the triumph of industrialism, he could not foresee that what was then a strong craft could, with time and ingenuity, be transformed into a set of techniques and that machines would one day "make shoes". His underlying point, however, about craft remains forceful. Craft is based on lore, a body of traditions (Osborne, 1975,1977). These traditions pass from master to apprentice in an active, physical sense -- not in a classroom. You cannot "tell" a man how to make good pottery, a serviceable shoe, a watercolour image that does not "run" into the next. These

accomplishments require practice, long experience, "tacit knowledge" (Polanyi, 1958).

Craft is based on practice and practice is not mere repetition. Sparshott adds (1982:163):

Among the [cognitive] aims of practice is knowledge not only that one has succeeded or failed to perform up to a given standard, but why.

Practice, apprenticeship, teaches simultaneous doing and thinking. It is conceptual as well as practical. "The procedures we follow tend to emerge not only from tradition but also from our momentary successes and failures in applying what tradition has given us" (Sparshott, 1982:131). Craft is the difference between "knowing" and "understanding"; the craft of singing is the "science of acoustics joined to the experiential understanding of the body" (Howard, 1987:35). Wittgenstein asked, "How does a man get a "nose" for something?" (ibid:58). The answer is craft. Experience is essential to judgement. With craft both the ends and means are specified while, in art, there is incomplete specification of both (Sparshott, 1982:518). If genius is the "gift for the unprecedented, craftsmanship is a versatile handling of what is in some sense already mastered" (Sparshott, 1982:244).

A respect for the practical sides of any art demands submission to authority because the craft must be transmitted from master to apprentice. Polanyi insists (1958:53):

To learn by example is to submit to authority. You follow your master because you trust his manner of doing things even when you cannot analyze or account in detail for its effectiveness... A society which wants to preserve a kind of personal knowledge must submit to tradition.

Having submitted to "learning by doing", we acquire a practical understanding of the art; it cannot be reduced to maxims (Polanyi, 1958:31):

Maxims are rules, the correct application of which is part of the art which they govern. The true maxims of golf or poetry increase our insight into golf or poetry and may even give valuable guidance to golfers and poets; but, these maxims would instantly condemn themselves to absurdity if they tried to replace the golfer's skill or the poet's art. Maxims cannot be understood, still less applied, by anyone not already possessing a good practical knowledge of the art.

If the foregoing presents an adequate portrait of craft, what does it tell us about the "craftsman" ideal type? For one thing, he will be patient. To submit to authority implies an ability to set aside, temporarily, one's own preferred way of doing things. He will probably be conservative, in the sense of respecting tradition. He will not be quick to depart from the tricks of his trade. He will be frustrated by "maxims" detached from an "understanding" formed only by experience. He will be responsible, sensible, exhibit good judgement. He will be honest, loyal and straightforward. He will not repress unconscious material, but neither will it be particularly in evidence (see Maccoby, 1976). He will be amiable and tolerant.

Conclusions

These remarks presage what we should expect to discover when we take this conceptual apparatus into the field. We should, to begin with, expect to find three "ideal types" of chief executive: the artist, the craftsman and the technocrat. We should expect to find that each will have his very characteristic way of conceiving strategy, one "inspired", one "experiential" and one, driven by "maxims". We should expect, as well, to find significant tensions between them. The technocrat likes "facts" and the artist doesn't provide them. The artist likes to play; the technocrat thinks play is for vacations. The craftsman believes in long experience; the technocrat, in "rules". The former is "warm"; the latter, distant, cool; the artist, "hot".

The following chapter is devoted to a description of the tools that allowed us to investigate these seemingly intractable subjects.

Chapter Three: Methodology and Research Design

A Note on Ontology

Methodology is fundamentally dictated by root assumptions about the nature of the phenomenon to be explored --- its ontological status if you will. Morgan and Smircich (1980:491) argue:

Our basic thesis is that the case for any research method, whether qualitative or quantitative.., cannot be considered or presented in the abstract, because the choice and adequacy of a method embodies a variety of assumptions regarding the nature of knowledge and the methods through which that knowledge can be obtained, as well as a set of root assumptions about the nature of the phenomenon to be investigated.

They developed a typology of six ontological perspectives ranging along a continuum of "subjectivity" to "objectivity", each with its own methodological consequences (see Appendix A). This study situates itself in two places: on the one hand, it begins at the extreme subjectivist pole where, "the social world and what passes as 'reality' is a projection of individual consciousness" (1980:494); on the other hand, it presumes that there is also a reality "out there" to which man adapts. If "reality" is both a projection of individual consciousness and a concrete process, then clinical and historical methods represent what seem to be the best approaches to the subject. Both case studies (Yin, 1981) and historical research (Lawrence, 1984) are valid means of generating new knowledge.

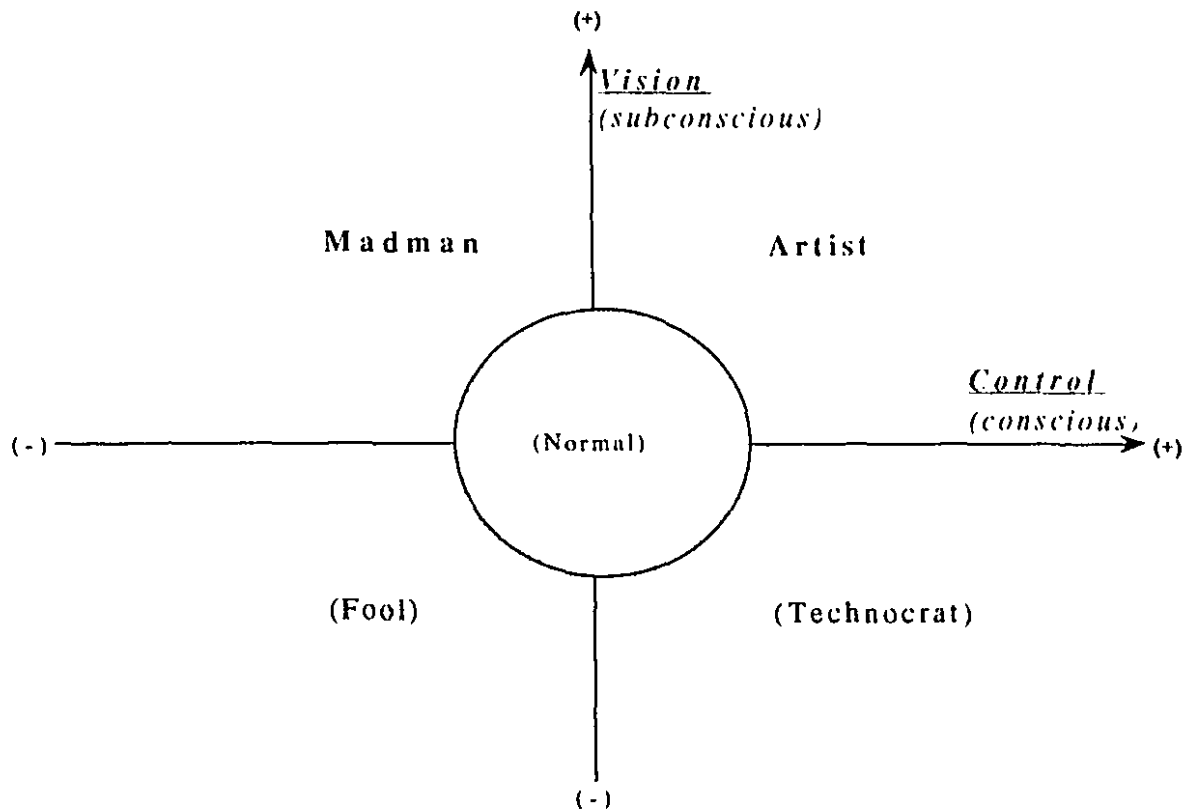
Methodological Considerations

To suggest the use of subjective methods is not, however, to give the researcher "carte blanche" to interpret reality. As Devereux (1980) has demonstrated, the researcher must be on constant guard against the influence of his/her own motivations and personality. Further, to minimize bias and adequately to discern the object of study, it is desirable to use more than one method --- to "triangulate".

Research Design and Objectives

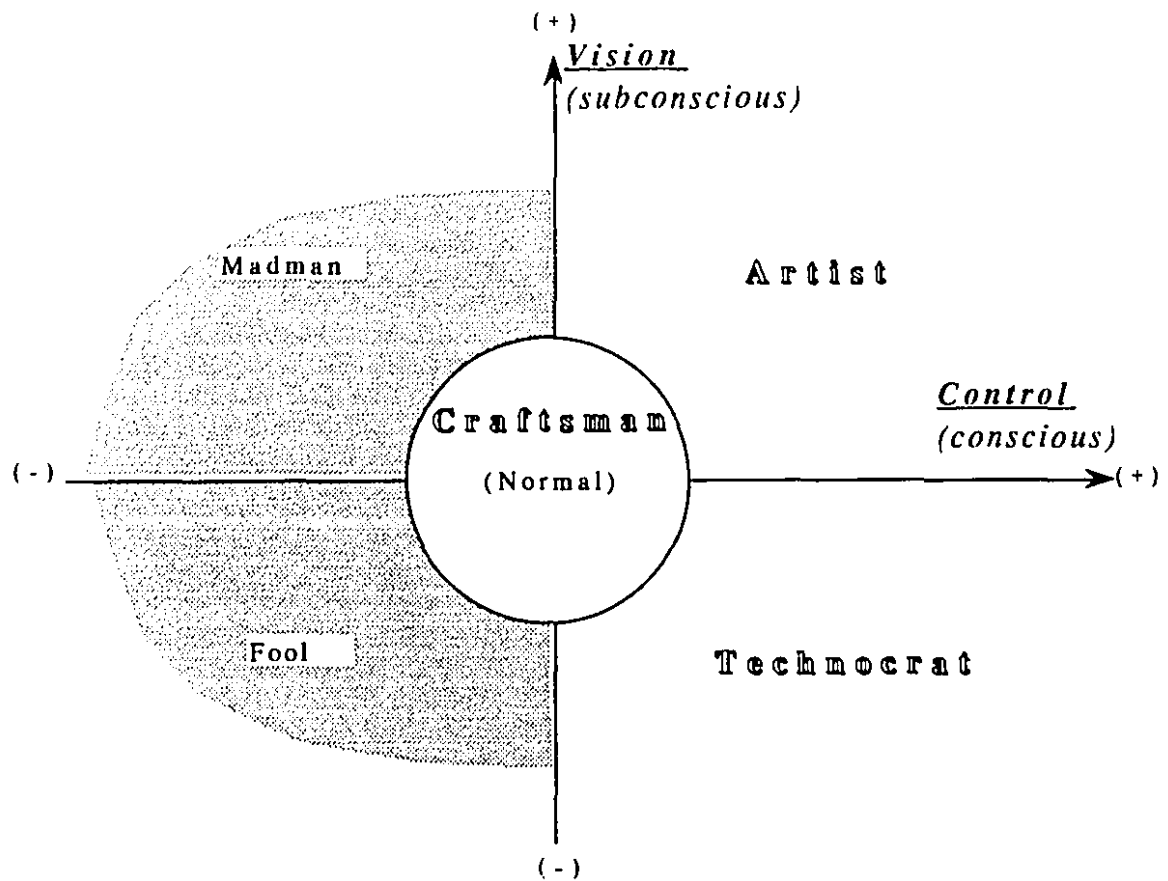
The objective of the research is to cast light on the relationship between character and strategy. In our conceptual explorations, we sought insight into the artist through comparisons with madness, in particular schizophrenics; As Plato taught us, "the poetry of the self-controlled is annihilated by that of the crazed". We have seen that both the madman and the artist are peculiarly subject to inner visions. In one case we call these visions "imaginative" and, in the other, "hallucination". What seems to separate the artist from the madman is his conscious faculties, his conscious ability to work with and control the flood of imagery coming from unconscious sources. Figure 3.1 attempts to illustrate these distinctions.

Figure 3.1: Artist and Madman



However, because we did not expect to find either "fools" or "madmen" running the organization, our focus of attention, our point of contrast with the artist, could not be the madman. The technocrat, on the other hand, shares with the artist conscious control but does not share vision. He would serve to anchor our reflections on the artist. The craftsman, found in the middle of the diagram under "normal", would help us to understand the other two. This shift of research attention is captured in Figure 3.2.

Figure 3.2: Artist, Craftsman and Technocrat



The Site

Using multiple qualitative methods, -- observation, interviews, archival research, clinical techniques -- is very time-intensive. Full-scale, large-sample research takes many researchers and many years to complete (compare, for example, Maccoby, 1976). The current study relies, therefore, on a single case. The site is a U.K.-based

financial services corporation, widely acknowledged to have been lead by "visionary" executives. The researcher had had professional contact with the organization for ten years and was in a privileged position to observe the behaviour of the key individuals throughout the period. The corporation is large (assets in billions of pounds sterling) and has passed through very distinct strategic "periods" in the past thirty years. Its management group has been very heterogeneous in terms of the art, craft, technology distinctions we wish to draw.

Data Collection

The Character Dimension

In everyday life, we form character judgements continuously. We say "she's crazy", "he's 'stiff', 'nice', 'pliable'". We use adjectives as signposts or clues to a deeper phenomenon we wish to convey. Long observation can permit the careful researcher to form such judgements about the characters of the individuals running an organization. This is particularly true if the researcher is trained in observation techniques. Still, even a careful and conscientious researcher can make mistakes or be blinded by certain personal biases. In the language of psychoanalysis, s/he can be blinded by "counter-transference". Ideally, judgement about character should be subjected to the test of inter-subjective validity; Do other people see what we see? This research consisted of testing the conceptual framework of ideal types -- artist, craftsman and technocrat -- in

four ways: observing and interviewing the individuals involved; testing for inter-subjective reliability by interviewing their peers and colleagues; administering a psychological test of character and; examining the strategic evolution of the corporation in different periods of its history as very different people were at the helm. We take each method in turn.

Behavioural and Attitudinal Correlates

The face the artist presents to the world is associated with certain behavioural and attitudinal postures. He is characterized by his associates, for example, as "intense", "volatile", "excitable", "unpredictable", "unrealistic" etc. In the corporate context, he may bear a family resemblance to Maccoby's (1976) "Jungle Fighter" who is described as, among other things, "energetic", "brilliant", and "courageous". In contrast, Maccoby's "Craftsman" is "conscientious", "amiable", "hard-working" and "self-reliant". The "technocrat", on the other hand, would be described as "stiff", "meticulous", "detail-oriented".

Using adjectives as a personality assessment research technique is a proven tool (Gough, 1960). A check-list of adjectives [ACL] is presented to a sample of associates and they are asked to check which ones apply to the target subject. Relying on work by Gough (1960), Maccoby (1976), Klein, (1940), Polanyi, (1958), and Collins and Moore (1970), among many others, a check-list was designed to

capture several sets of characteristics which are associated with artists, craftsmen, and technocrats and which should cluster around different individuals.

The check-list (see Appendix B) was presented to ten immediate subordinates (vice-presidents), peers and/or board members for each of fifteen Managing Directors¹. After administration of the check-lists, individuals were asked if they could form groups of similar people and asked to comment freely on the individuals involved and their strategic orientations. The procedures are described fully in the succeeding chapters which report the results.

The Inner World

Since our interest lies, primarily, in trying to explain why certain individuals are more "visionary" than others, their outward behavioural manifestations are somewhat less important than their inner landscape. The next stage was, therefore, to explore this inner world to discover what underlying dimensions may correspond to the external clustering mentioned in the previous section.

Typically, this inner world has been explored by psychoanalysts in the clinical interview (Maccoby, 1976) or with

¹ These were Managing Directors or Chief Executive Officers of the entire group and of its principal operating subsidiaries.

projective tests like the Rorschach (Maccoby, 1976; Kerlinger, 1986). Both of these methods require long psychoanalytic training and experience to be effective.

There are, however, companion clinical diagnostic tools which do not require intensive training to be of use. When the objective is research, and not clinical diagnostic accuracy for purposes of "treatment", the lay use of these tools is particularly appropriate. One such instrument is the Minnesota Multiphasic Personality Inventory (MMPI).

Developed in the 1940's, the MMPI has since been used in literally thousands of studies and hundreds of thousands of diagnostic situations around the globe (Dahlstrom, Welsh and Dahlstrom, 1972). Somewhat dissatisfied with the lack of comparability between clinical assessments, the developers of the inventory were convinced "that an objective instrument for the 'multiphasic' assessment of personality by means of a profile of scales would be useful in research and clinical practice" (Hathaway in Dahlstrom, Welsh and Dahlstrom, 1972:vii). History was to prove them correct as the MMPI became an "industry standard".

Based on responses to 566 short questions, the MMPI generates a "profile" of the subject along ten dimensions. Individual scores on each of the ten scales are important but interpretation is also based upon the pattern or configuration of results. The ten scales are: hypochondriasis, depression, hysteria, psychopathology,

masculinity/femininity, paranoia, psychasthenia, schizophrenia, hypomania, and social introversion.

These terms carry frightening and pathological connotations. It must be doubly stressed that this research does not anticipate finding pathologies any more than did Maccoby (1976). We do know, however, that artists measure high on several of the scales compared to "normal" control groups and that the shape of the curve which graphs the results is quite distinctive. Let us pursue, for illustrative purposes, both why that may be the case and why it may have strategy formation consequences.

Depression

Researchers postulate that there may be a neural mechanism present in respective temporal lobes, which controls mood, preventing violent swings in either direction. In the the "normal" subject, this mechanism serves to "adjust" perception, giving the individual a slight tendency toward seeing the world more optimistically than the "facts" would allow. In the manic, it seems, this regulator is inadequate; he sees the world euphorically. The depressive, on the other hand, sees more black than white, more threat than opportunity. And, although it remains controversial, his vision may, in some sense, be more "accurate" than his peers. After a series of empirical studies, Sackheim (1983:101) concludes:

Relations between psychopathology and self-deception are raised and the view is offered that some forms of psychopathology, notably neurotic depressive disorders, may be associated with failure to use self-deceptive strategies.

Maybe the "artistic" strategist sees his corporate world more clearly than others.

Paranoia

"Suspicious people disdain the obvious" (Shapiro, 1965:64). The paranoid person is a keen and penetrating observer who "expects the unexpected". His responses to Rorschach tests are very unusual; he sees around the obvious to "underlying" factors. Surrounded by threats that others seem not to see, the strategist with a modicum of paranoia may be driven to competitive answers when others have yet to pose a question. This may make him a fool or a visionary. Since paranoia also lends "tenacity to behaviour" (Shapiro, 1965:74), he may be able to impose his will, his vision.

Hypomania or Manic-depression

The manic phase of this pathological condition is associated with what is called, clinically, "flight of ideas". In a euphoric state of boundless energy, the manic produces torrents of ideas, sometimes bizarre connections, and grand plans. These are the "Napoleons" of the clinical ward. "Flight of ideas" typifies much artistic production.

The British romantic poet, Shelley, writes of his experience with the creative process (in Harding, 1967):

*When my brain gets heated with thought, it soon boils and
throws off images and words faster than I can skim them
off.*

Perhaps the artistic strategist needs both the creative flight of ideas and the manic energy to drive them to fruition.

Schizophrenia

Without discussing the portrait of the schizophrenic in detail, this psychotic state is characterized, as we saw earlier, by the production of unusual associations. It is also characterized by a flight from reality into "magical thinking", "autism" and fantasy. This capacity to fantasize a new and, ostensibly better, world may lie behind the "visions" of the artistic strategist.

Contraindications

If the presence of some or all of the foregoing may lead us to suspect the potential "artistic" character of certain individuals, there are other signs the presence of which tend in the opposite direction. These are obsession with detail, neurotic overcontrol, compulsive orderliness, and repression -- our technocrat. The MMPI is a guide to these as well. The "craftsman" can be expected to show a relatively

neutral MMPI profile. The fifteen key executives all cooperated freely with the MMPI administration.

The Strategic Dimension

Corporate Strategy

Finally, and by no means least importantly, we must describe the "output" to which this study is dedicated --- corporate strategy. The study covers a period of thirty years, from approximately 1960 to 1990, with intensive focus on the fifteen-year period of 1975 to 1990. The researcher had regular exposure to senior executives and board members over a period of ten years. Observation, archival search, and a first round of formal interviews conducted in 1986/87, demonstrated that there had been distinctly different global strategies in operation throughout the period. The reorientations had been coincident with succession at the top, on the one hand, and with the changing composition of the senior management group on the other. The research consisted of identifying these strategic shifts, relying on internal company documents, published reports and interviews. The dangers of selective recall were minimized, if not completely offset, by the archival work and by multiple perspectives on the period in question.

Archival Search

The first step in this part of the work consisted of an examination of documents in an attempt to clarify the strategic periods. In this work, we were guided by the strategy tracking methods developed by Mintzberg and Waters (1984). The authors outline an intensive procedure of collecting information on various strategic components -- in our case, acquisitions, divestitures, diversification, manpower changes, and performance -- followed by plotting the information over time in order to see patterns in it. Both published sources, and confidential, internal working documents were accessible and revealed the existence of such patterns and periods.

Interviews

Armed with the material generated in the archival search, a series of semi-structured interviews were conducted with forty key participants --- the Managing Directors and Chief Executive Officers -- and observers --- peers, subordinates and board members --- in London, Dublin, New York, Toronto and Montreal. They were asked their views on both "intended" and "realized" strategies (Mintzberg and Waters, 1985) throughout the period. Opinions about who played key roles in the shaping of those strategies were also solicited.

Summary

Groups	ACL	MMPI	Interview
Targets: 15 key executives	✓	✓	✓
Observers: 25 other executives	✓		✓

Data Analysis

Although years of observation of these individuals and of the corporation as a whole represents an advantage, it also has disadvantages. The researcher brings certain expectations into the process of data analysis. Furthermore, the conceptual framework used to shape the data collection inevitably influences the results; we tend to find that for which we search. Nevertheless, in order to develop "grounded theory" (Glaser and Strauss, 1967), the researcher must, to the limit of his capacities, suspend judgement. During the process of data analysis, the researcher must let himself be "impregnated" by the empirical data. It is only in studying the patterns which emerge from each of the four methodologies employed that an overall pattern may be discerned.

That said, however, we did have certain hypotheses about the nature of the relationship between character and strategy. As we have seen earlier, one of the chief characteristics of the great artist, is that his vision breaks with the gestalt of the past and points towards the future. In the corporate sphere, for example, Steven Jobs' vision broke with what might be termed the "industry recipe" (Grinyer and Spender, 1979) and launched a new era. This break with conventional wisdom of the day is often met with derision and skepticism. In the current study, there is evidence of a similar process at work. Conversely, we expected to confirm a certain attachment to conventional wisdom in the strategy of the technocrat. His way of proceeding would be met with almost universal agreement. His approach would never be subject to scorn. The craftsman, on the other hand, would appear both insufficiently precise and insufficiently visionary and would tend to be squeezed out of the power process.

Secondly, the clarity with which the artistic strategist articulates his strategy would contrast sharply with the articulation of the technocrat. While the former would be impressionistic, and talk in images, metaphors, and fragments, the latter would exhibit a comforting precision. The one would talk of a vague future, the other of pressing realities. The craftsman would talk of people, their potentialities, of products and structures that would, eventually, create both the vision and the profit. He has more respect for the integrity of the organization as an institution -- its people, its history,

its future -- than either of the other two, for whom the organization is more an instrument.

The artistic strategy would seem ill-defined. The overall pattern the artist is seeking to bring to fruition will be evident only in the finished product. The specific strategies to implement the design have an "emergent quality" (Mintzberg and Waters, 1984:37), and may seem purely opportunistic. Because he is restless, the global strategy would be oriented toward growth and change, not toward profit per se. This, too, would contrast with the perspective both of the technocrat and of the craftsman. The technocrat would stress procedures, controls, efficiency; the craftsman, harmony, consensus, experience, "reasonable" profit.

Finally, each would have his very characteristic view of "reality". The same phenomenon would be defined very differently by each. For example, the artistic strategist would define "slack" as the fruit of his effort; the technocrat, as something to be despised; the craftsman, as a resource to be used in organizational development. These varying perspectives, ramified across many issues, would create very different strategies and organizational climates.

In what follows, all details of the corporation's history are faithfully reported but disguised for reasons of confidentiality. Financial information is accurate in proportions but transformed as to scale. The location of all sites is changed. All names are pseudonyms. Dates are changed. Masking, usual in such studies, was

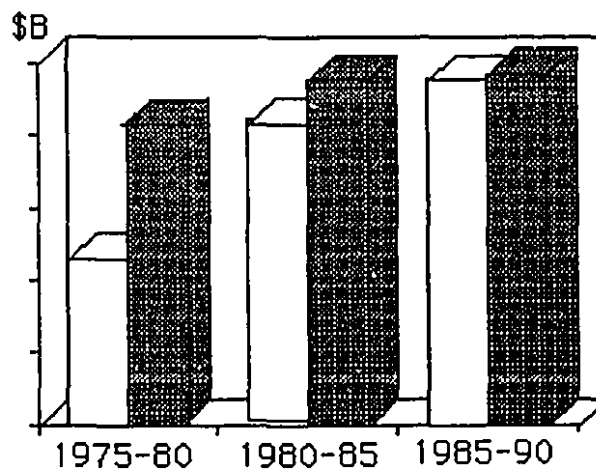
doubly important here, since we were dealing with some very sensitive, and deeply personal, character information developed throughout the course of the study.

We now turn our attention to the results. To place the reader in context, chapter four presents a synopsis of the corporate evolution through the period 1975 to 1990 and positions us to introduce the individuals involved in chapter five.

Chapter four: Corporate Evolution

Neither the age of the company, almost forty years old, nor the age of the industry, more than one hundred years old, could account for the spectacular rise to power of this corporation. Its assets grew very rapidly from 1975 to 1980, slowing to a respectable rhythm in the next five years and finally to four percent annually in the final period. It literally exploded onto the international scene. Figure 4.1 documents this growth in billions of dollars. The scale is masked for reasons of confidentiality.

Figure 4.1: Assets, 1975 to 1990



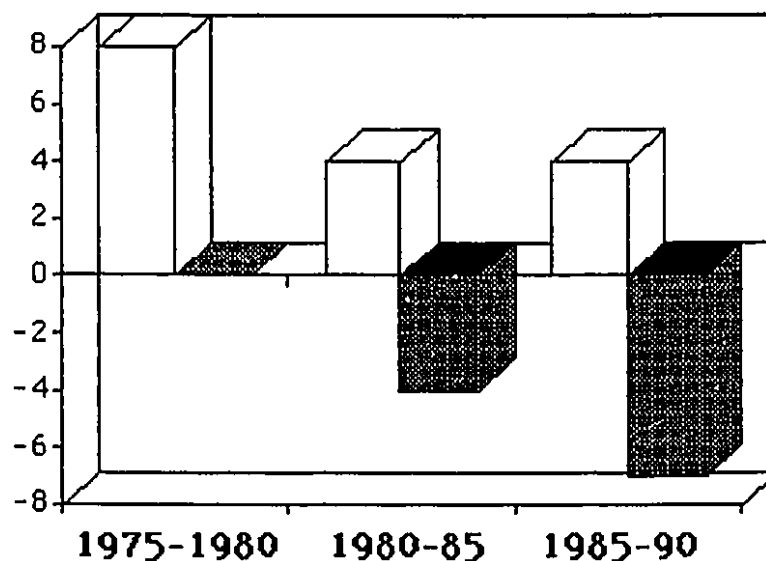
Acquisitions and Divestitures

While there was of course some internal growth propelling the asset climb, most of the growth came from acquisitions. Throughout the seventies, the company had engaged in some very audacious acquisitions -- swallowing companies much larger than itself. These

early acquisitions brought the principals into "the network", made them visible, and provided them with the credibility and the opportunity to make more deals. Early successes bred optimism and the acquirer's palate; each new deal looked enticing; many were pursued, most succeeded. The momentum of the seventies, and all of the principal actors, were still in place as the eighties opened.

Acquisitions proceeded at an interesting pace but new concerns began to emerge and we saw an equal number of divestments in the period 1980 to 1985. As the next five-year period opened, more acquisitions took place but by the close of the period, it was large divestitures which occupied centre stage; thus did we see, in figure 4.1, the flattening of asset growth in the period. Figure 4.2 shows these patterns --- white for acquisitions, gray for divestitures --- in terms of absolute numbers in each of the five-year periods.

Figure 4.2: Acquisitions and Divestitures



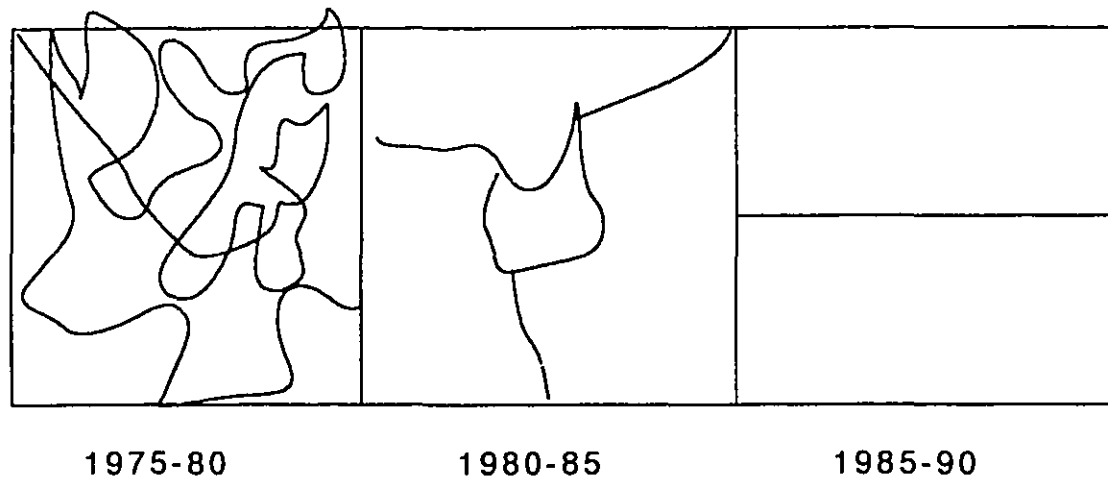
Sectoral Composition

The goal of the acquisition strategy was clear: break out of the confines of the town, the state, the country and the sector; leave the industrial and financial backwaters behind and find oneself playing on the big stage. This goal was accomplished through a series of acquisitions which brought both sectoral and geographic diversification. In the early period, the target companies were extremely varied in sectoral composition. Some were holding companies containing "pieces" of sectors in which our company already operated, or explicitly wished to operate, but containing as well sectors which had motivated the target holding company management. Some of these "pieces" seemed very far away from the core expertise of the firm yet the Chairman insisted on their future compatibility. He was almost the only one to "see" this potential compatibility and he had the power to make his vision stick.

As we entered the period 1980-85, the emergent picture of a final "form" for the corporation began to crystallize around key, related, sectors. The Chairman was persuaded to divest many of the "pieces" that were picked up inadvertently along the way. What was a very complex jigsaw puzzle, without apparent pattern to anyone, other than the existing Chairman, begins, through both divestitures and new acquisitions, to take on greater order, simplicity, clarity, definition. The "pieces" of the puzzle get bigger and fewer, as we attempt to capture graphically in Figure 4.3. In the final period,

1985-90, all of the "pieces" are gone and the sectoral composition was reduced to two.

Figure 4.3: Sectoral Composition

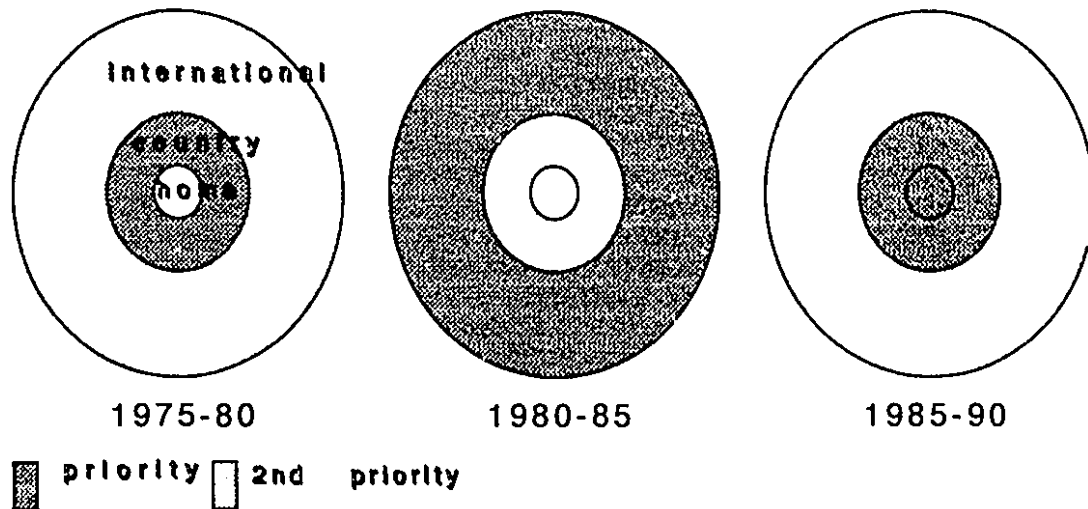


Geographic Diversification

Geographically, the company succeeded in breaking out of home base. Building throughout the seventies, it had, by 1980, established important beachheads in many major markets. Leaving first its home town to make its presence felt in the capital, it very quickly acquired an even stronger position in London, the major financial centre. That acquisition brought with it a small but significant position in three major offshore markets. The period 1980-85 saw domestic consolidation and strengthening as well as significant development of the offshore markets such that the company earned its reputation as a "player" on the world scene. In the final period, 1985-90, the international orientation diminished in importance and

the domestic scene took priority. This was especially true by the end of the decade. This evolution is captured in figure 4.4. The white areas indicate little or no attention was devoted to that domain.

Figure 4.4: Geographic Orientation



Structural Change

These manifold strategic developments brought with them new people and, necessarily, new operating structures. The fifteen year period opens with a simple operating structure. The Chairman makes all of the strategic decisions although he is seconded by technical financial experts. Once acquired, the companies and local management have wide strategic and operating latitude; the Chairman sits on the board and pressures for both profitability and dividends but does not interfere in day-to-day management and does not dictate strategic priorities. Because it is a period of intense

activity and growth, his mind is largely fixed on other acquisitions, new horizons. Within their own sectors, three senior men shape and control the destiny of their units.

Early in the second five-year period, the Chairman gives serious thought to succession, and, with the concurrence of his board, appoints the head of the largest operating unit to the post of managing director. He himself retains the non-executive chairman's post and continues to sit on all subsidiary boards. Together they recruit two new senior operators to act as managing directors of the sectors, thus freeing their own time for the tasks of coordinating those sectors, disposing of previous investments, and entertaining new acquisitions. The managerial structure becomes more formalized, less fluid. The group of five operate more as a team in decision-making. It seems to be working such that, by the end of the 1980-85 period, the non-executive chairman resigns his post to sit as an ordinary board member and the managing director takes on the Chairman's role as well.

As 1985 opens, then, we have a structure which still leaves considerable discretion in the hands of the unit managers but which discretion is tempered by the team environment. Major decisions are taken collectively, and in a spirit of high excitement. The team completes the streamlining of the strategic positioning laid down in the previous five years, and adds new, focussed, blocks of business. The latter activity is stimulated by the presence of a newly-hired sixth key man in a new formal function of corporate development.

Issues of coordination between the units, the creation of synergies, take on more and more importance and it becomes increasingly the order of the day to generate stronger profits from the disparate units. Coming first in finance, then in marketing and, almost simultaneously in information systems development, centralization of functions spawns a period of growing tension between the units and the centre. This structural tension results in the creation of sub-groups: one insisting on local autonomy and the other, on the importance of coordination to cut costs and increase profits. These tensions mount weekly. At the same time, the board of governors, hitherto small, active and composed of the heads of the operating units with four "outsiders", is being steadily enlarged¹. To make room for new "outsiders", heads of operating units are gradually forced to withdraw. They return to the board only to make specific presentations on their respective sectors.

Pressured by age, external regulatory battles and internecine conflict on the one hand, and the desire for smooth transition and succession on the other, the managing director feels he must appoint a second-in-command. His choice reduces itself to one of the two operating heads, each of whom represents one of the centralization/decentralization cliques. He chooses the "centralizer". He himself retains the functions of Chairman and managing director but the die is cast. The structure as a whole then evolves in a formalizing

1) Regulatory pressures were largely responsible for the move to an enlarged board. Neither regulatory issues nor the role of the board in the evolution of the company, are treated here in detail. Each would represent a thesis in itself.

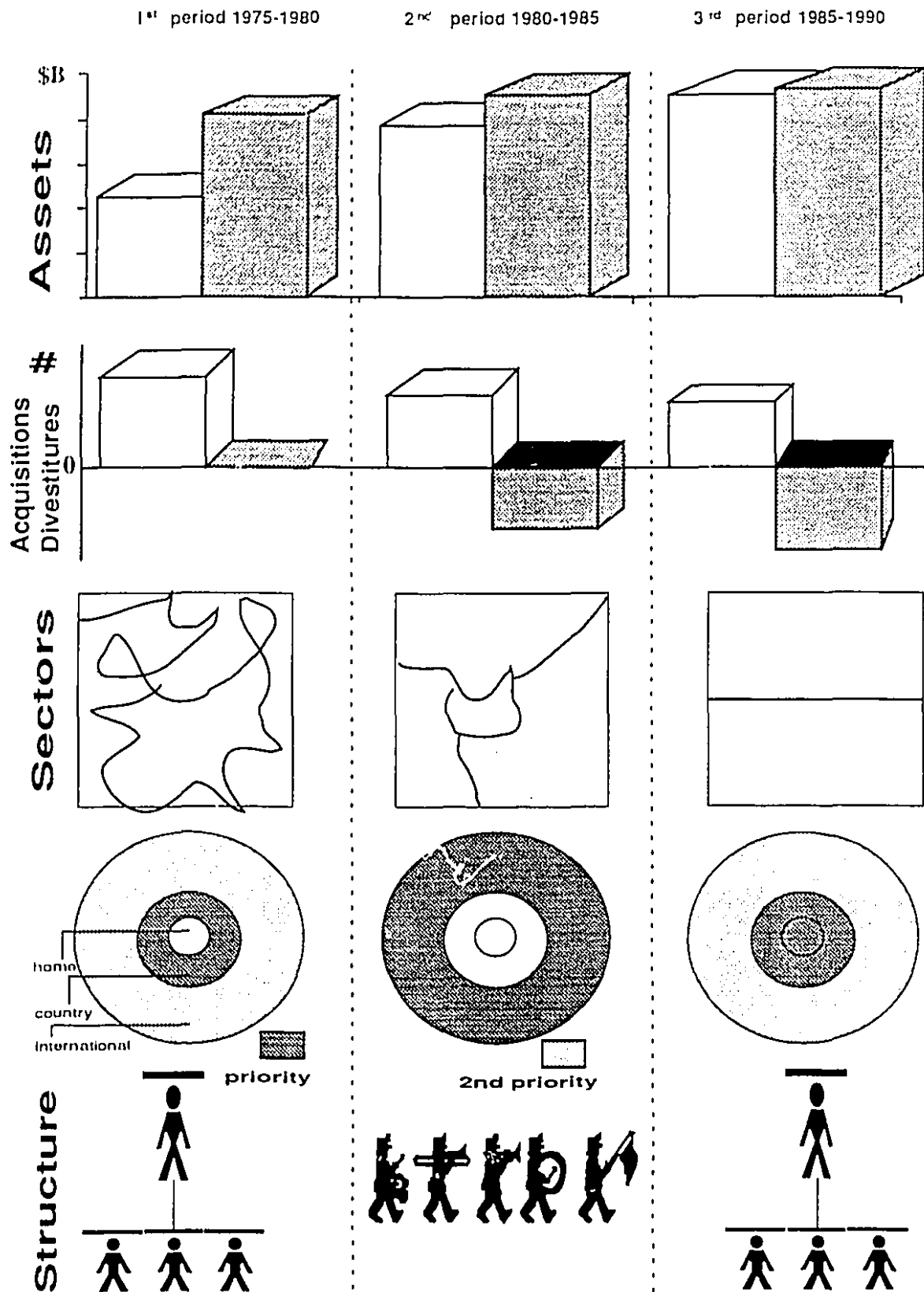
direction. From the partial "divisionalized form", the structure moves in the direction of "machine bureaucracy" (Mintzberg,1983:215), Head office functions expand, "coordination" increases, and local autonomy is more and more eroded. One year later, the managing director cedes his post to the newly-appointed second-in-command and retains only the chairmanship. Within two years, five of the seven top people are demoted, fired, or cornered and forced to resign. By the close of 1990, we have returned to the simple form of the opening era but a "simple" form with a difference. In the earlier period, 1975-80, the Chairman was distracted by future possibilities and operated a decentralized managerial system. In 1990, the Chairman was in the same position from the point of view of the exclusivity of his power but the system was by then highly centralized and the Chairman was not distracted. Figure 4.5 portrays this structural evolution.

Figure 4.5: Structure, 1975 to 1990



Figure 4.6 summarizes the fifteen-year evolution. Following the vertical columns, it is clear that very different things typified the three eras.

Figure 4.6: The Evolution



Summary

The fifteen year period opened with an simple structure lead by a dynamic entrepreneur. If he had a clear strategic plan, it was clear only to him. What was evident, was ambition, growth, challenge. As the company became larger and larger, it also became somewhat unwieldy. The original Chairman felt growing pressure to cede partial and then full authority to a younger, more technically-trained man. While the Chairman was still influential, but no longer managing director, a bold team took over and the strategic orientation of the firm became more precise, more well-defined. Acquisitions took on clear purpose. Divestitures increased in magnitude and number. The team spirit was short-lived however. A few short years later, many of the top men had been replaced. No longer expansive, the firm became much more formalized and short-term in its focus and returned to a domestic orientation. It had, in one sense, come full circle. With a simple structure, it began from a regional base and reached out to the world. Fifteen years later, it reverted to a simple structure and retreated from the world.

Chapter five presents the personalities who lived through and authored these changes.

Chapter Five: Character, the View from the Outside

The Adjective Check List

As a close and interested observer of the corporation and its executives, the author necessarily formed certain opinions about its evolution. Indeed, the hypotheses which underpin this research grew directly out of that observation. It seemed that, within the population of normal, sane, executives, there were essentially three styles or character types. Without in any way diminishing the value of informed opinion, it was, nevertheless, desirable to test for inter-subjective validity of those opinions and hypotheses. One way of testing was, of course, the semi-structured interviews. A more formal method consisted of administering a list of sixty adjectives to ten observers of each of the fifteen target executives. As noted in chapter three, this list was developed, a priori, to fall into three classes: artist, craftsman, technocrat. By conjecture, there would be:

- Three artists, Jim, Cobb and Mike
- Four craftsmen, Rodney, Robert, George and Jeb
- Four technocrats, Cam, Judd, Brien and David
- Four mixed types: Ross and Peter, technocrats with artistic leanings and; Rowan and Bill, craftsmen with artistic sides

Jim, Cobb and Mike, the artists, would be described, among other things, as visionary, volatile, imaginative, entrepreneurial, and, secondarily, as people-oriented. That is, although primarily driven by ideas, they also exhibit a "craft" component which keeps them

sensitive to the feelings of those around them. Rowan and Bill would present a mixed portrait; it was unclear at the beginning whether they were dominantly artists or craftsmen, presenting as they did the entrepreneurial flair of the artist but the conventionalism of the craftsman depending on the context. It was clear, however, that they were not "technocrats" exhibiting none of the meticulousness of the latter. Ross and Pete, were technocrats, rigorous and determined, but at times exhibited imagination and insight which lead one to suspect artistic leanings.

The pure technocrats, stiff, intense, cold, methodical, numbered four: Cam, Judd, Brien, David. Under observation, in written documents and in interviews, they emphasize "doing things right" and almost never talk about "doing the right things". They are emotionally controlled, and oriented toward "running a tight ship". They would be described as highly analytical.

The pure craftsmen, Rodney, Robert, George and Jeb, would be, universally, seen to exhibit the core craft traits: honest, straightforward, responsible, conventional (they tend not to depart from the well-worn path), knowledgeable (from long experience), and humane. Without exaggerated expectations of themselves or organizations as a whole, they are more generous about the limits of others.

These, then, were the hypotheses guiding the administration of the adjective check list (ACL): that there would be three distinct

groupings of executives and that the composition of the groups would be as just described.

Method of Administration

The Adjective Check List (ACL), was administered in the interview context. Observers --- peers, subordinates, and board members --- were asked to check as many adjectives as they thought applied to the fifteen target subjects --- CEO's and Managing Directors . They were instructed to respond quickly and spontaneously to the stimulus words, keeping in mind dominant traits of the subject in question. For example, although most people may be characterized as "punctual", it is not necessarily something which automatically springs to mind with certain individuals. The objective was to delineate core characteristics. All subjects cooperated fully. Administration was adjusted continuously throughout this phase of the research to ensure balance in representation. That is, as results were analyzed successively, each target executive was "judged" by an equal mix of "artists", craftsmen", and "technocrats". Complete administration resulted in a data base of nine thousand responses. As the interview proceeded, each person was asked to reflect upon the nature of the target executive as an individual and with respect to the other fourteen members of the target group. Hypothetical groupings were tested. Implications of the groupings were discussed. These results will be reported below.

Analysis

When all the results were tallied, we were confronted with a matrix of nine thousand data points. Visual inspection of the data seemed to confirm, in general, the hypotheses. However, especially with a data base of this size, perceptual bias is a serious obstacle: recency, saliency, prior schema processing all potentially interfere with or distort the emerging portrait (Hogarth and Makridakis, 1981; Tversky and Kahneman, 1981). Anomalies can be overlooked, important secondary trends, obscured. The data were, therefore, subjected to more formal analytic techniques, namely, factor analysis and correspondence analysis. Each of these will be reported in turn.

Factor Analysis

Factor analysis is a technique in widespread use; Kerlinger calls it "the queen of analytic methods" (1986:569). Used as a data reduction technique to search for mysterious underlying uniformities or clusters, or as an hypothesis-testing device to confirm or infirm a priori notions, it has proven itself to be an invaluable tool. In the present case, it offers a way to circumvent the perceptual bias noted above. The conceptual and mathematical underpinnings of factor analysis are well-explained elsewhere (Kerlinger, 1986; Overall and Klett, 1972), but, in lay terms, the technique consists of using correlation analysis to compute constructs or "factors" underlying several variables or tests.

In standard "R-type" factor analysis, we would reduce our sixty adjectives into several groups which are highly correlated internally but weakly correlated with each other. Our interest, however, lies more with finding resemblances not between adjectives but between people. That is, we wish to test the hypothesis that there is a determinate number of groups of individuals which can, within the constraints of the definitions cited earlier, be described as "artists", "craftsmen" and "technocrats". This necessitates performing "Q-type" factor analysis (Overall and Klett, 1972; Miller and Friesen, 1980), reversing rows and columns in the matrix, replacing variables with people. Overall and Klett (1972:203). speak to a controversial point with respect to Q-type analyses:

... the partitioning of individuals does not appear at first blush to make much sense. Within the context of the linear factor model, however, it is quite reasonable to conceive of "person factors" as ideal types and the factor loadings as indices of relationship of individuals to the several ideal types.

This is the heart of our enterprise; to discover whether or not the data lend themselves to the three previously-defined "ideal types", artist, craftsman, and technocrat.

The factor analysis was accomplished using the Statistical Package for the Social Sciences (SPSS) "Factor" program with principal components extraction and rotation to simple solution. A "simple" solution is one in which each variable, in our case each person, is loaded mainly on one "factor" and there are many negligible loadings in the factor matrix (Kerlinger, 1986:581). We present here, in

summary form, the last steps. Initially, we find the global results and their levels of "significance", followed by the orthogonally rotated factor matrix and the final "oblique" solution.

The first thing to note is that, with a generally-accepted cut-off limit of 1 (one) for eigenvalues, the procedure resulted in three factors which together account for 75.1% of the overall variance. Table 5.1 presents the results.

Table 5.1: Initial Statistics

Variable	Communal ity	Factor	Eigenvalue	% of var	cum.%
Jim	1	1	5.24322	35.0	35.0
Cobb	1	2	3.56595	23.8	58.7
Mike	1	3	2.46318	16.4	75.1
Ross	1	4	.91179	6.1	81.2
Pete	1	5	.58398	3.9	85.1
Cam	1	6	.55231	3.7	88.8
Judd	1	7	.35192	2.3	91.1
Brien	1	8	.31449	2.1	93.2
David	1	9	.25667	1.7	95.0
Rodney	1	10	.15990	1.1	96.0
Robert	1	11	.14663	1.0	97.0
George	1	12	.13759	.9	97.9
Rowan	1	13	.12562	.8	98.8
Bill	1	14	.10685	.7	99.5
Jeb	1	15	.07989	.5	100.0

It is clear that we have three strong factors with solid eigenvalues. We turn now to see whether our individuals load on these three factors in the predicted ways. Table 2 presents the

"varimax" orthogonally rotated solution. Orthogonal rotation to simple structure presupposes independence of the three factors. An "oblique" rotation, on the contrary, presumes that the factors are somewhat correlated. There is no generally-accepted, "correct", procedure, it being largely "a matter of taste" (Kerlinger,1986:582). We present the orthogonal solution, but leave the bulk of interpretation to the section in which we find the oblique results. In our opinion, and the results tend to confirm the judgment, the factors are correlated.

Table 5.2: Varimax Rotation to Simple Structure

Person	Craftsman	Artist	Technocrat
variable	factor one	factor two	factor three
Robert	.93489		
Jeb	.91734		
George	.90007		
Rodney	.85739		
Bill	.84802	.33826	
Brien	.66525	-.52658	.36902
Rowan	.53736		
Cobb		.88500	
Mike		.87987	
Jim	.33257	.78570	
Judd	.38103	-.56062	.55436
David			.83136
Ross	-.33620	.33787	.70650
Peter			.67815
Cam		-.61047	.61377

Note: Loadings under .3 have been suppressed for improved legibility

As we see in Table 5.2, there are highly significant loadings on each of the factors. We also see, however, significant "impurities" or, some

individuals loading on more than one factor as well as some negative loadings. This made us suspicious about the result, including the presumption of independence of factors, and favoured the oblique solution to which we immediately turn.

The Final Solution

Interestingly, the oblique rotation produced only marginal changes in the overall portrait. As predicted, the pure craftsmen, Robert, Jeb, George and Rodney, loaded highly-- respectively, .94, .92, .90, and .86 --, and solely, on Factor one which we now dub the craft "ideal type".

Cobb, Mike, and Jim loaded, respectively, .88, .87, and .78, on Factor two which we now call the art "ideal type". Jim shows a lesser but still interesting loading on the craft factor, at .31 which confirms that the artist may contain significant craft-like qualities.

As expected, David, Ross and Peter load highly on Factor three, the technocrat "ideal type", measuring, respectively, .83, .68, and .67. Ross shows interesting loadings on the art factor, at .32, indicating that a technocrat may have artistic leanings or elements, and loads negatively on the craft factor at -.34. He is the only technocrat to load negatively on craft but, as we will see below, he is not at all the only one to display anti-craft characteristics. The two other technocrats loading, respectively, .65 and .59 on the third factor are Cam and Judd. Their results are fascinating since they load almost as strongly on the

art factor but in a negative direction. Their results show most strongly the polarity between the two ideal types.

As noted above, Bill and Rowan were somewhat enigmatic during observation and interviews such that it was unclear whether they were predominantly artists or craftsmen. The results here confirm the earlier confusion with Bill loading quite highly on craft at .84 but loading significantly, at .36, on factor two, art. Rowan, on the other hand, loads only on craft but more weakly at .52. This result is unsurprising in a sense since it became clear during the interviews that there were radically different opinions of him. The results therefore tended to cancel out.

Finally, the anomalous, in the sense of unpredicted, result for Brien. He was predicted to fall firmly in the technocrat ideal type but, in fact, loads more highly on the craft factor at .68 compared to .40. Like the other technocrats Cam and Judd, however, he loads highly negatively on art at -.55. Table 5.3 presents the results.

Table 5.3: The Oblique Solution and the Ideal Types

variable	craftsman	artist	technocrat
Robert	.93262		
Jeb	.91573		
George	.89821		
Rodney	.86353		
Bill	.83884	.32296	
Brien	.68253	-.54930	.40238
Rowan	.52813		
Cobb		.88454	
Mike		.87064	
Jim	.31343	.77761	
David			.83254
Ross	-.33603	.32420	.68479
Peter			.67010
Cam		-.62962	.64522
Judd	.40150	-.58312	.58617

Discussion

These results were, globally, highly satisfying. Three strong factors, and not six or seven or two, emerged as hypothesized. The individuals who loaded on the factors were, with one exception, predicted. Anomalies are, of course, unsurprising. We are, after all, dealing with people and not with objects. The factors represent ideal types to which real individuals will be expected to conform only "more or less". To understand the anomalies one is forced back to the raw data. When we compare, for example, the portrait of a pure craftsman with that of Brien, we discover that they are correlated at .6950 ($p < .01$). But, and this is more important, along what dimensions are

they correlated or, more precisely, in what ways are they both alike and dissimilar? It turns out that both Brien and Judd share with the craftsman his conservatism, conventionalism, his emotional stability, his control but depart radically from him with respect to the human qualities of warmth, humaneness, generosity. This leads to a more general point about the factor analysis. As helpful as it is and as gratifying the results seem to be, it nonetheless leaves too many questions unanswered. Because we cannot, simultaneously, view the people, the ideal types, and the adjectives that served to create those types, we are forced into a still-intuitive and visual inspection of a large data base. It is for this reason, that we turned to a less well-known (in North America) European analytic technique called "Correspondence Analysis". Its graphic outputs will allow us better to explain both the factors and the anomalies.

Correspondence Analysis

The conceptual and mathematical bases of correspondence analysis are explained, in detail, elsewhere (Fenelon, 1981; Lebart, Morineau, and Warwick, 1984). In short, it uses a distance measure to allow the "simultaneous representation of two data sets" and is best applied to data consisting of contingency tables and binary coding (Lebart, Morineau and Warwick, 1984:30). Our data are precisely of this contingent nature: for example, "if you are Brien, how likely are you to be seen as visionary?". The output of correspondence analysis is also factors, but factors which have been created simultaneously by the weight of both the adjectives and the individuals. We are able to

see the mathematical contribution of each individual and each adjective to the factor and the final graphic display places all the data before our eyes. We will proceed as we did with factor analysis, reporting first the overall statistics and moving to successively greater detail.

Initial Statistics

Like principal components analysis, correspondence analysis produces factors and associated eigenvalues. It does not, however, cut off the creation of factors according to the strength of those eigenvalues. In these initial statistics we see, therefore, all conceivable factors even though they contribute little explanatory power with respect to the overall variance in the data. The principal thing to note is that, as in the factor analysis, the first three factors account for exactly the same amount of variance, around seventy-five percent. The first two factors are overwhelmingly dominant, accounting for forty-two and twenty-seven percent for a total of sixty-nine.

Table 5.4: Correspondence Analysis Initial Statistics

Factor	Eigenvalue	% of variance	cum.% of variance
1	0.18360	41.759	41.759
2	0.12068	27.449	69.208
3	0.02854	6.490	75.699
4	0.02305	5.244	80.942
5	0.01448	3.293	84.235
6	0.01410	3.207	87.442
7	0.01189	2.704	90.147
8	0.01057	2.405	92.551
9	0.00752	1.711	94.262
10	0.00681	1.550	95.812
11	0.00567	1.289	97.101
12	0.00523	1.189	98.290
13	0.00415	0.945	99.235
14	0.00337	0.765	100.00

As with principal components analysis, correspondence analysis requires knowledgeable interpretive effort to bear fruit. Unlike its North American counterpart, it does not use rotations to arrive at the "best" solution. The interpretive effort lies, instead, in inspection of the composition of the factors, the contributions of both rows (the adjectives) and columns (the people), to their creation, and inspection of the graphic representations of the factors, two-by-two, in two-dimensional space. The whole of that interpretive process will not be presented here. Here we present the final results.

What and Who created Factor One?

It is important to remember that with this analytic technique both positive and negative contributions "count". That is, certain adjectives are mathematically "attracted" to each other and "repelled" by others. Similarly, certain people are similar, are "attracted" to each other and others are "repelled", mathematically. A factor in this case is a linear vector in space whose position is influenced by all other factors, individuals, and adjectives. We have seen from the initial statistics that factor one is highly significant, accounting for more than forty percent of overall variance in the data. Factor one is, let us say, "composed of" adjectives and people. In terms of mathematical weight or mass, it was created by, in order of importance, Cobb, Mike, Jim, and Ross and influenced negatively by, in order, Brien, Rodney, Judd, Robert and Cam. It is clearly our art vector or ideal type. With the positive contribution of our artists from the factor analysis and the negative contribution of our technocratic ideal type, it shows even more clearly the polarity between the two styles. Interestingly, it also shows the negative contribution of two craftsmen. The reason for this will become clearer below, but, for now, let us say that the craftsman "repels" the artist because, in some important respects, he is his opposite. Table 5.5 presents the summary results.

Table 5.5: The People and Factor One

positive		negative	
person	contribution	person	contribution
Cobb	232	Brien	-106
Mike	157	Rodney	-88
Jim	101	Judd	-71
Ross	79	Robert	-69

Note: The software ADDAD uses a base of 1000; see J.P. Benzecri et collaborateurs (1979) L'analyse des Correspondences, Tome 2, 3ième édition, Paris:Dunod

As was true for people, so it is true for the adjectives. Some adjectives associate positively with the Art vector and others, negatively. With positive associations we find, in order, bold, daring, intuitive, exciting, volatile, unpredictable, and entrepreneurial. Conversely, conventional, meticulous, controlled, and methodical are strongly repelled. This begins to explain why the craftsmen, Rodney and Robert, should have contributed negatively to the factor. A craftsman is seldom described as bold and unpredictable. The technocrat, on the other hand, is often described as conventional and, above all, meticulous. It is the richness of the simultaneous treatment in correspondence analysis that allows us to capture these nuances. The results are presented in table 5.6.

Table 5.6: The Adjectives and Factor One

Positive		Negative	
adjective	contribution	adjective	contribution
bold	7 1	conventional	- 3 9
daring	5 5	controlled	- 3 4
intuitive	5 4	meticulous	- 3 1
exciting	5 1	methodical	- 3 0
volatile	4 6		
unpredictable	4 3		
entrepreneurial	4 1		

These results are, in themselves, fascinating, but they become more illuminating with each successive juxtaposition of other results. Factor two, as we have seen, contributes importantly to the explanation of overall variance. Its shape must therefore have much to tell us. We proceed to an interpretation of those results followed immediately by the juxtaposition of the two factors in space. Factor three will not be elucidated since it does not contribute materially to our understanding.

What and Who Created Factor Two?

Factor two contributes twenty-seven percent to the explanation of overall variance. It is shaped, largely, by ten individuals and ten adjectives. In terms of positive contribution, and once again in order of importance, it is formed by Cam, Ross, David, Judd, and Peter -- our technocrats from the factor analysis. The vector was influenced

negatively by Bill, Jeb, Robert, Jim, and George, three pure craftsmen, one craftsman with an artistic strain and one artist with craft-like humanism. Here we see the polarity between the technocrat and the craftsman along a, let us say, human dimension. Table 5.7 gives the highlights.

Table 5.7: The People and Factor Two

positive		negative	
person	contribution	person	contribution
Cam	2 1 1	Bill	- 9 8
Ross	1 4 0	Jeb	- 8 4
David	1 0 0	Robert	- 6 2
Judd	7 0	Jim	- 5 4
Peter	6 3	George	- 3 6

The individuals who influence the vector tell one kind of story but the adjectives embellish and enliven that story. In the case of Factor two, the five strongly, positively associated adjectives are: difficult, hard-headed, distant, stiff, and uncompromising; those most strongly, negatively associated are: humane, amiable, warm, helpful and generous. The vector appears to produce a sort of thermometer, a continuum, which ranges from warm to cold from the most pure craftsman to the most pure technocrat. Table 5.8 shows the relative contributions.

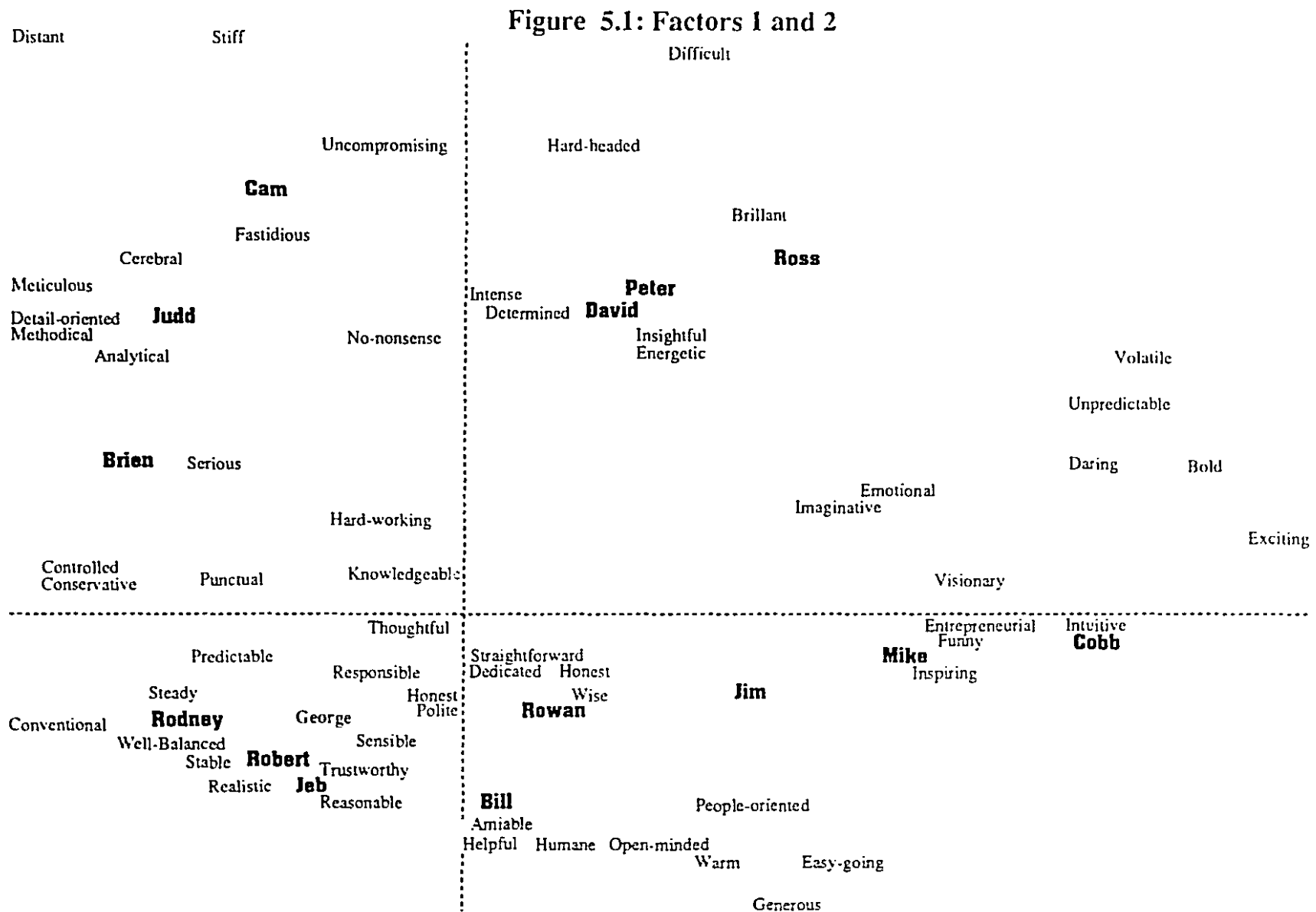
Table 5.8: The Adjectives and Factor Two

positive		negative	
adjective	contribution	adjective	contribution
difficult	6.4	humane	-4.1
hard-headed	5.7	amiable	-3.6
distant	5.0	warm	-3.1
stiff	4.6	helpful	-3.0
uncompromising	3.8	generous	-3.0

It is worth emphasizing that these analytical procedures are producing constructs, ideal types, and that real people would seldom find themselves positioned neatly along one or another continuum. Constructs do, however, help to impose useful order on an otherwise incomprehensible world. Several constructs or ideal types taken together can help us to position and understand more clearly the real individuals who have made up this organization. Placing factors one and two together in two-dimensions adds necessary and revealing complexity to the portrait we are drawing and, correspondence analysis, treating as it does all variables equally and simultaneously, permits us to do just that. Figure 5.1 shows factor one, the art/technocracy vector, on the horizontal axis and factor two, technocracy/craft vector on the vertical axis. It displays both individuals and adjectives.

First, a word of caution about interpretation. In correspondence analysis, it is legitimate to compare clusters of adjectives and to compare, within clusters, their relative positions. Similarly, it is legitimate to compare individuals' positions within and between

clusters. And, it is legitimate to interpret individuals in relations to a group of adjectives. It is not, however, appropriate to speak to one individual and one adjective; that is, we cannot say "individual x is *stiff*" because the position of both the individual and the adjective was determined jointly by all the adjectives and all the individuals. With that caveat firmly in mind, let us proceed to an interpretation of the graph.



The Clusters¹

The Craftsman

Our factor analysis told us that there was a craft ideal type on which five individuals loaded exclusively, and two, in a mixed fashion. Here, we have a cluster of the same five people plus one, Bill, who had loaded on both the art and the craft factors. We see that he is positioned to the right of the vertical axis, indicating his affinity with the artists. Rowan, who we described as equally enigmatic with respect to the two dimensions, shows here, and not in factor analysis, his affinity to the artists since he too is positioned to the right of the vertical axis. Brien, finds himself this time firmly in the technocrat cluster, although he had loaded, unpredictably, on craft in the factor analysis. His strong loadings on the technocrat ideal type (.40), and his strong negative loading (-.55) on the art ideal type can be understood better here.

The craftsmen are surrounded by a cloud of adjectives consisting of, among others, wise, amiable, humane, helpful, honest, straightforward, responsible, trustworthy, reasonable, open-minded, realistic, steady, conventional and predictable. These are the core craft traits. And, if we think about our craftsmen within the original metaphor which guided the research, this makes sense. When we

¹ The clusters of adjectives and people differ from those associated with the creation of each factor taken separately. Here, all simultaneous influences are taken into account.

conjure up an image of an old-fashioned artisan, a cabinet-maker for example, he is honest. We trust him. He is responsible; we don't feel the need to supervise his work. He is reasonable, not hot-headed. He is patient and realistic. He doesn't expect miracles. If we have asked him to use pine, he will not substitute plastic at the last moment. He is predictable. It is his predictable and conventional side which, in factor analysis, causes some of the technocrats to load on the craft factor. But the technocrats do not share his human qualities of warmth and generosity and open-mindedness so that here, in correspondence analysis, they are repelled by the craftsmen. into the northwest quadrant. Of course, conversely, for reasons of predictability and conventionalism, the artist is repelled by the craftsmen but united with him by sharing his humane qualities.

The Artist

Predictably, the three individuals who loaded most strongly on the second factor in factor analysis, respectively, .88, .87, and .78, form here a second cluster. Cobb, Mike and Jim are positioned to the extreme right of the graph, close to the art pole, and below the horizontal axis, thus differentiating them from the technocrats in two dimensions. They are most strongly repelled by Rodney, Brien and Judd, and by the adjectives conventional and controlled, which differentiates them from the technocrats (see Tables 5.5 and 5.6). Jim, is positioned significantly to the west and south of Cobb and Mike, pulling him closer to the craftsmen with whom he substantially shares humane qualities. This puts into perspective his .31 loading on craft in

the factor analysis. Ross, a technocrat in factor analysis (loading .68), remains one here as well, strongly differentiated from the craftsmen (factor loading in factor analysis of -.34), but drawn somewhat toward the art pole. The latter confirms his loading of .32 on the art factor in factor analysis. From interviews, observation and the raw data, it is clear that he is pulled toward the artists by the presence of words like "brilliant", "emotional" and "volatile".

The cluster of adjectives forming a halo around the artists are, as we saw in part in table 5.6, bold, daring, exciting, volatile, intuitive, visionary, entrepreneurial, inspiring, imaginative, unpredictable and funny and ranging as far north as brilliant, and as far south as generous and easy-going. Brilliant has "cold" connotations; it is associated with the head and not the heart while the other two, generous and easy-going, carry a "warmer" connotation. Depending on the mood and the man, the artist can exhibit either. Positioned below the horizontal axis, the artist is more often described as humane and open-minded than as difficult and uncompromising. At the opposite pole, on the extreme western perimeter, we see controlled and conservative, meticulous, methodical and detail-oriented, the antithesis of art and the domain of the technocrats.

The Technocrat

In our factor analysis, we had six individuals loading significantly, from a low of .40 to a high of .83, on the technocrat ideal type. Here, we find the same six individuals but the cluster is much

less tight, confirming, perhaps, the logic of the factor loadings. However, in the factor analysis, it was David who seemed the most prototypic, loading at . 83. Here, the prototypic might more be seen to be Judd, followed by Brien, and Cam, more distantly, by Peter and David, and, finally, by Ross. It is worth recalling that the three, Judd, Cam and Brien, loaded, respectively, -.58, -.63 and -.55 on the art factor in factor analysis. They are all most unlike Jim, who combines the art and craft traits. The three "purest" are positioned in the northwest quadrant with Jim in the opposite, southeast. Later, we will see that, in "real life", they did not consider him to be even a worthy rival.

The core technocratic features surround Judd, Brien, and Cam: they are, controlled, conservative, serious, analytical, no-nonsense, intense, determined, cerebral, methodical, meticulous, detail-oriented, and fastidious. They get things done. The cluster ranges as far north as distant, and stiff and as far east as brilliant, energetic, and insightful. In the far east, they can sometimes be mistaken for artists. Table 5.9 summarizes the ideal types and their associated characteristics.

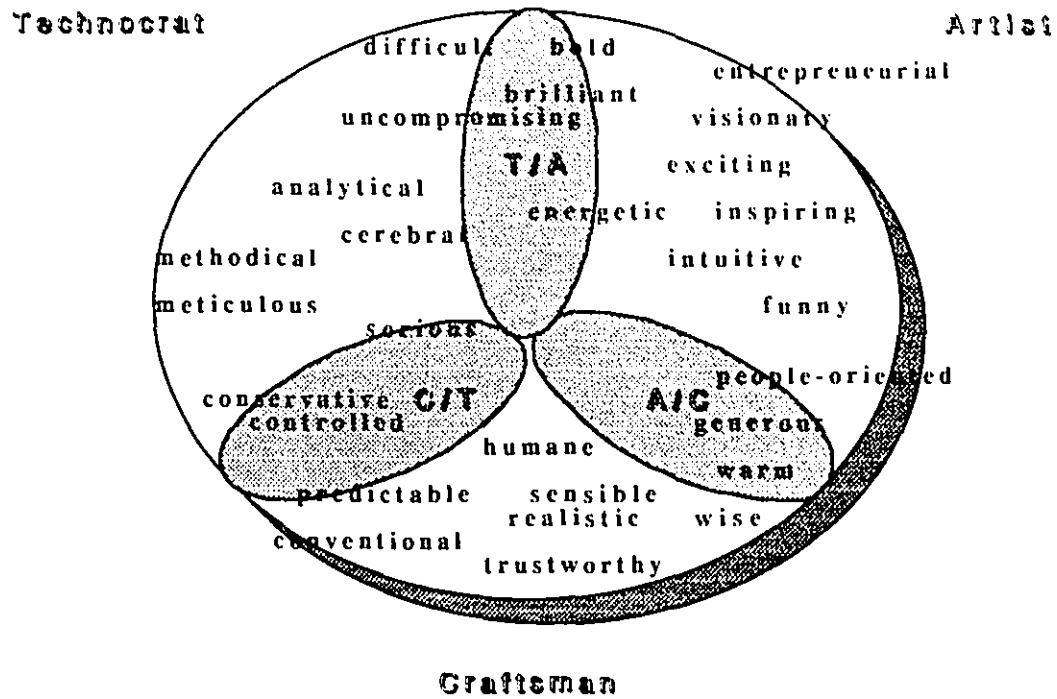
Table 5.9: The Ideal Types

The artist	the craftsman	the technocrat
bold	wise	controlled
daring	amiable	conservative
exciting	humane	serious
volatile	honest	analytical
intuitive	straightforward	no-nonsense
entrepreneurial	responsible	intense
inspiring	trustworthy	determined
imaginative	reasonable	cerebral
unpredictable	open-minded	methodical
funny	realistic	meticulous
visionary	steady	detail-oriented
emotional	conventional	fastidious
	predictable	
	helpful	

The "Real" People

Evidently, our two analytic techniques reinforce each other and, jointly, have helped us to delineate a profile of these "Ideal types". As we have repeatedly stated, however, real people do not conform happily to our mathematically, or intellectually, generated constructs and theories. Real people don't fall on our continua. They are much more interesting and intractable. Let us pass, then, to a slightly different mode of characterization, one which promises to be more descriptive of them. Let us imagine, instead, a wheel or ellipse as pictured in Figure 5.2.

Figure 5.2: Pure and Mixed Types



The purpose of the map is really to show the gray areas and to introduce new terminology which will be useful to us later. Jim, for example, best exemplifies the artist with craft traits although both Cobb and Mike are generally seen to share those qualities of warmth and amiability. As an abbreviation let us call him the artist-craftsman (A/C). Very close to him, but more conservative, is the craftsman with artistic sides (C/A). Here we find Bill and Rowan. Moving left, through humane and into realistic and responsible, we find the craftsmen Jeb, Robert and George (C). Still moving left, we find a craftsman with a more technocratic bent, Rodney. He is emotionally "cooler", edging round to the technocratic virtues -- methodical, conservative (C/T).

Moving around from "cool" into "cold" territory, we find the more pure technocrats, Judd and Cam (T). Moving northward, oddly enough the territory heats up. Both Peter and David are characterized as volatile. They have flashes of insight. They are full of energy and intensity but, most of the time, they are controlled and methodical. Then we come to Ross. Ross is a technocrat with an artistic flair (T/A). He shares little with the craftsman. He is unpredictable, difficult, unreasonable, uncompromising and convinced of his own wisdom. But, he is also highly emotional, highly energetic, often exciting and imaginative and quite funny. He is as "hot" as the artists and, because this "heat" is not softened by the craft virtues -- easy-going, people-oriented-- he is not seen to be inspiring. His ideas may be grudgingly characterized as brilliant but the man is not. Finally, we come to the pure artists (A), Cobb and Mike. The adjectives speak for themselves. They are universally seen to be entrepreneurial and visionary. They are liked and often loved by their subordinates. They are emotional and that is the source of their greatest strengths and their gravest vulnerabilities.

The characteristics can be captured in a three-by-three matrix, with the columns defining the dominant ideal type, with its attendant characteristics, and the rows, secondary characteristics. Moving down the columns, we find that a real person may be seen to be predominantly an artist, "pure" let us say. Or, s/he may share all the artistic characteristics and add to them some craft components. Finally, an A/T may be artistic, imaginative, intuitive but also determined and analytical, qualities more often associated with the

technocrat. Similarly, the craftsman may be "pure" or may swing in the direction of either the artist or the technocrat and will thus present the entrepreneurialism of the former or the conventionalism of the latter. Finally, the technocrat may be "pure" -- stiff and meticulous -- or simply stable, like the craftsman, or volatile like the artist.

Figure 5.3: Ideal and Mixed Types

	A	C	T
A	exciting visionary inspiring	open-minded entrepreneurial	volatile emotional
C	people-oriented humane generous	honest responsible warm	stable serious
T	analytical determined	conventional methodical	conservative meticulous stiff

What you see depends on what you are: The Ideal Types
view each other

If we use the top ten adjectives associated with each ideal type as indexes, then we can compare our three types across categories. Using a score of greater than or equal to six out of ten mentions, we can compute a measure of compatibility for each individual and each type. For example, if six or more observers indicated that Jim was entrepreneurial, he will score one out of ten on

the art index. If six or more indicated that he is also visionary, he will score two on the index, and so on. Proceeding accordingly, we have the following profiles.

Table 5.10: Index Scores and Ideal Types

Person	Artist	Craftsman	Technocrat
Jim	7	6	1
Cobb	7	3	0
Mike	6	4	1
Ross	3	0	1
Peter	1	0	1
Cam	0	0	9
Judd	0	0	5
Brien	0	4	5
David	1	2	8
Rodney	0	6	5
Robert	0	10	5
George	0	6	0
Rowan	0	3	0
Bill	0	4	0
Jeb	0	6	3

This method of presenting the data affords certain new perspectives. For example, the three core technocrats, Cam, Judd and Brien, are, literally, never seen by a majority to be entrepreneurial or visionary or imaginative or inspiring. Nor are Judd and Cam ever seen to be honest, helpful, open-minded or trustworthy. Yet, they run major organizations. We will, of course, have occasion to return, in more detail, to this issue. The artists, on the other hand, share significantly in the craft virtues but are almost never seen to be serious or

methodical. One can begin to see why they might run into difficulties. A typical craftsman, like George, is seen to be neither imaginative nor methodical. We can begin to guess the nature of his vulnerabilities. Finally, the technocrat sees himself as the epitome of rationality; he thinks of himself as reasonable, sensible and, above all, realistic. Yet, here, four of our technocrats score zero on these qualities. Others do not see them as they see themselves. And that point leads us into the next section where, from the check lists and the interviews², we will see what these "types" think of themselves and of one another.

The Artists

The artists see their craft brethren quite clearly. They see them as realistic and hard-working, as humane and honest. They lay particular stress on their human qualities, especially warmth and generosity. And, as if they know their own weakness, they speak admiringly of the craftsman's stability. They tend to idealize him in some respects, attributing to him both entrepreneurial qualities on the one hand and the technocratic virtues of method and analysis on the other. For the artist, the craftsman is well-balanced, combining in a way that he perhaps does not, the virtues of all three types. During the interviews, the artists were unfailing in their capacity to group the craftsmen together, hesitating only over those like Bill and Rowan who they tended to want to put in the artistic camp.

² The check lists were divided into three groups of ideal types and examined for their relation to each other. The results were juxtaposed with interview material.

He views the technocrat quite clearly as well. He sees and values his methods, his determination or tenacity, his hard work. He is somewhat insecure about his own "rash" behaviour, and therefore sees the technocrat's conservatism, sometimes, as a necessary prudence. It is he who most often characterizes the technocrat as "brilliant", having mostly in mind the latter's capacity to organize his thoughts and presentations in a thorough, tight, fashion and to deal, comfortably, with numbers. Asked to form groups of the technocrats, he sometimes separates them in two; in the language of one, "the technocrats" and the "technicians", depending on the level of "brilliance". Revealingly, the artist sees the technocrat as "emotional", and, often, "volatile". We will return to this below.

Unsurprisingly, the most interesting views are of other artists. They see them with the usual qualities of imagination and intuition but they take those for granted and lay greater stress on the humane qualities. "He's very people-oriented, a good-guy, fun". They never stress "emotional" or, if they do, it is with admiration in their voices, like, "he's emotional (chuckle) but,...". They are at pains to stress that the others are "reasonable", and importantly, "sensible". For them, being "sensible", exhibiting good judgement, means being able to calculate risks -- not avoiding them. He categorizes the individuals as predicted.

The Craftsmen

The craftsmen like and admire the artists. They like to work with them and around them. They find them amusing, warm and inspiring. They feel them to be very people-oriented and open-minded. When asked about their visionary qualities one typical craftsman offered, "you have to have people to dream the dream". About his "emotional" side, they laugh and say things like "Oh sure, he gets carried away but he always comes back down". With respect to his analytic skills, or lack of them, the craftsman scoffs. Typical of reactions, one said, "Analytic boys are a dime a dozen but you can't buy dreams". He categorizes the artistic group without fail.

The craftsman's attitude toward the technocrat is not nearly so generous as is the artist's. He sees him, to be sure, as methodical and analytical, as meticulous and detail-oriented. He thinks they make "good consultants". He admits his brilliance, often coupling "bold" with "conservative". When asked to explain how someone could be both bold and conservative, one craftsman replied immediately, "It's simple. If you're bold about an old idea, you're conservative; if you're bold about a new idea, like Mr.x, you're a dreamer". But, what he emphasizes, in language none too favourable, is the technocrat's intensity, his unwillingness to compromise, his insensitivity to people. According to one craftsman, in a period of cost-cutting a technocrat phoned him and asked, "so, how many people have you fired today?". This behaviour goes vastly unappreciated by the craftsman because it violates his credo, his whole value system. He who sees the

organization most as an institution, à la Selznick (1957), as an organism composed of valuable team members, cannot support what he sees as the cavalier treatment of people implied in that question.

He sees the technocrat as emotional and volatile and frequently unpredictable and that this behaviour is evident when the technocrat is "crossed"; that is, because the technocrat is uncompromising, he tends, in the words of one craftsman "to explode on contact". This all emerged in interviews after the administration of the check lists. Because the "normal" posture of the technocrat is calm and controlled, the adjective "emotional" was not spontaneously checked. "Honest" was also never applied to the technocrats by the craftsmen. They see them as manipulative, inclined always to blame others for their own short-comings. The group of individuals composing the technocrat ideal type was invariably accurately formed by the craftsmen.

The craftsmen see themselves according to the complete list of craft virtues. They see their lack of artistic imagination as a failing but not a giant one. They feel that organizations need all types, each in the right place: the artist at the top, the craftsman below him, and no technocrats. They concede the need for "technicians", but technicians with no power. They believe that their own analytical skills are sufficient to make the technocrat unnecessary. They form the craft group without hesitation.

The Technocrats

The technocrats disdain the artists. They see very clearly their charm, their warmth, their imagination; they even like them. But, according to the technocrat, the artist has no place in modern organizations. "Maybe before, when you could afford to make mistakes, it was OK, but not in our complex world". He continues, warming to the subject, "... maybe before you could shoot from the hip and get away with it, but now you have to know what you're doing, you have to have the facts". He thinks that the artist may be useful in consulting, in advisory roles outside the organization. "Today's CEO gets his ideas outside the organization. He doesn't dream them up; that's not his job. He "sifts". He sorts. That's his job". The trouble with the artists, is that they make mistakes. They drive organizations crazy with their ideas. You can have no stable administration. They don't know how to "sift"; they attack on all fronts. They never pursue, consistently, any one goal. Then comes the universal epithet. "He's emotional". This is the final condemnation. For the technocrat, emotional is the opposite of sensible and sensible is the trademark of the technocrat. Logic, his, is what rules the day. Rational analysis prevents mistakes. "Conservative" is a compliment; he applies it happily to others in his group. If someone makes a mistake, that means he has not done his "homework" and should, as A follows B, be fired. "There's nothing personal about it. I still see Mr. x. We still have lunch. He's a great guy. But, he had to go. He knows that." He identifies the art group without hesitation.

If he disdains the artist, he dismisses the craftsman. Without the, irritating, imagination of the artist, and with "very weak analytical skills", the craftsman serves almost no purpose. Well, not entirely. "He can be a useful number two man; he can be counted on to keep a ship afloat in stable waters. Once the direction is set, he can keep it running for a while. But, after a time, the disease sets in. Inefficiencies. And, when the waters get troubled, when the marketplace is fluid, he's hopeless." He can't develop a strategy. He doesn't have the brain power. "He's boring, colourless". "We've got to put someone in there with stronger skills". "He can't make tough decisions." "He has a hard time firing anybody". The technocrat does not easily form the craft group; he forms two, with the largest being, simply, "incompetent".

While the technocrat checks, automatically, the list of technocratic virtues for his colleagues in the group, in interviews, he doesn't talk about them. He takes those qualities for granted, and emphasizes the human side. "He's a great guy. Very funny in private, when you get to know him. Oh sure, publicly he looks cold but he's not." The technocrats call each other "entrepreneurial", "imaginative" and even sometimes, "intuitive". They call each other "reasonable"; they believe that they compromise easily when it "makes sense". They never think one another "difficult" and never, but never, emotional. Emotion is for others. They group their colleagues easily, and call them, in the words of one, "the builders".

Summary

This chapter has served to build a profile of ideal types: the artist, the craftsman, the technocrat. Factor analysis showed us that we have indeed three strong factors and that our executives "loaded" on these factors in the predicted way. Correspondence analysis allowed us to explore the ideal types and their associated adjectives in a richer fashion. It allowed us to "see" the types in relation to each other, to see that there were nuances and gradations. The check lists and the interviews allowed us, as well, to hear how the ideal types felt about each other and foreshadowed the kinds of organizational conflicts to which they would fall prey. We have seen that these three types have distinctly different character profiles in as much as they are seen by peers and colleagues. We have seen, as well, that while some individuals "fit" a particular ideal type, many are a mixture of two. The three methodologies -- factor analysis, correspondence analysis and clinical interviews -- have worked, in complementary fashion, to structure our thinking about these matters. However, there is a limitation to this portrait, however convincing. The view that we have of the types and of the individuals is built largely on external evidence: behaviour, appearances. Appearances can be deceiving. Clowns are often unhappy. In the following chapter, we explore the inner world of the ideal types; we will see if it conforms to outward appearances.

Chapter Six: The Inner World of the Ideal Types

We concluded chapter five with the thought that appearances can be deceiving. Because of defensive reactions, a pressure to conformity, a desire to please, individuals may, and often do, dissimulate. Perhaps the commonalities that we picked up using other methodologies would disappear, or radically change, if we could know "the real person" behind the appearances. Are the technocrats "really" stiff, or do they just seem to be? Are the artists "really" visionary? Are the craftsmen "really" so stable, honest, predictable? How can we know? How can we get behind the facade that we all need, more or less, to present to the world? The psychologist, the psychiatrist, the psychoanalyst has clinical tools at his disposal. The researcher without those tools must find others. The tool chosen for this study was the Minnesota Multiphasic Personality Inventory (MMPI).

The MMPI

The MMPI is, as its name implies, a multi-faceted personality test. It consists of a very long questionnaire composed of five hundred and sixty-six questions. It was designed for two basic purposes: to supplement clinical interview material-- to aid the diagnostician-- and to provide standardized, comparable, information for researchers. With the variety of clinical approaches and conceptual frameworks used in the field, it was difficult to compare patient cases as between therapists. Results of an MMPI

administration are, on the other hand, comparable. For the delicate task of diagnosis with a view toward cure, it is never, or ought never to be, used alone (Dahlstrom, Welsh and Dahlstrom, 1972). Indeed, the computer-assisted scoring system counsels that no decision should be based solely upon the contents of its report. As one consulting psychologist recently said, "It's only as good as the clinician interpreting it!"¹. For the research task of seeking uniformities and dissimilarities in character patterns within a group, however, it can be used, relatively, more autonomously. Nevertheless, as we will see below, interpretive guidance was useful and even indispensable.

As was true with both the interviews and the adjective check lists, we had certain hypotheses about the results of the MMPI testing. As noted in chapter two, we expected the artists to display characteristic patterns: tendencies toward hypomania, showing mood volatility and excess energy levels; hysteria, the tendency to be histrionic, impulsive, theatrical; schizophrenic tendencies, the presence of unusual thought patterns, creativity and; psychopathology, showing up as non-conformism. The artists would tend, in the language of the MMPI, more toward psychosis than toward neurosis or personality disorders. Conversely, the technocrats were expected to show marked elevations on the clinical scale for obsessive-compulsive behaviour, characterized by meticulousness and the isolation of emotions from thoughts (their

¹ Dr. Graham Turrall, consulting psychologist, in interview with the author, Toronto, December 18, 1991.

apparent "stiffness"). The craftsman's profile was expected to follow the norms of the general population, with no obvious personality disturbance.

Method of Administration

The MMPI, its purpose and design, were explained to the subject in the interview context. A copy of the test, which takes between one and two hours to complete, was left to be filled out at an opportune moment. With busy executives, this turned out often to be in an airplane en route to a meeting. All subjects cooperated, some more reluctantly than others, and returned the completed test on time. Many were curious about its results and asked to be apprised of them.

Analysis

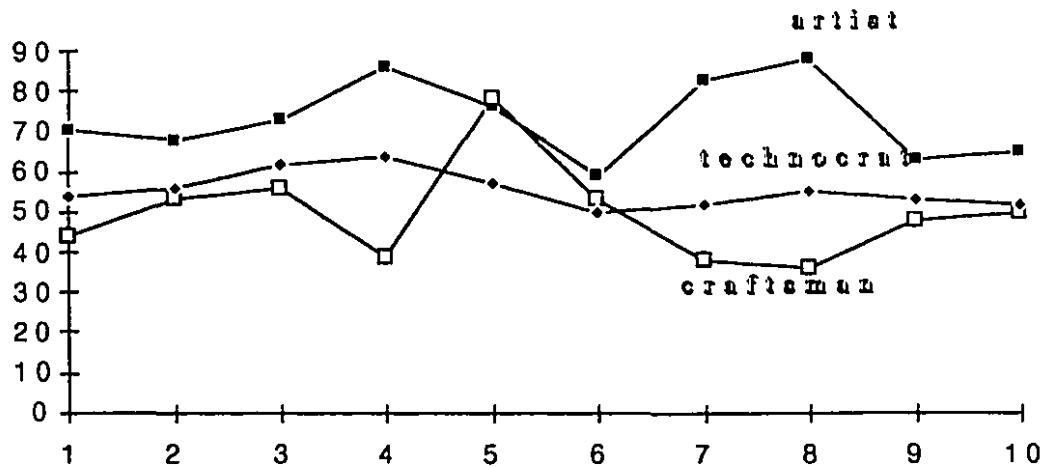
The response sheets are machine-readable. For this reason, and to eliminate potential scoring bias, the results were computer-tabulated by an independent firm of consulting psychologists. The computer scores the results according to procedures outlined in the MMPI operating manual and produces a nine-page output on each individual. The output is divided into several sections: an overall assessment of the person and his current diagnostic status as well as a comment on the validity of the results; a section displaying three validity and ten clinical scales and; certain special clinical sub-scales

developed to detect particular syndromes or trends. A partial typical output is reproduced in Appendix C.

Interpretation

For reasons of confidentiality, and the highly sensitive nature of the MMPI results, no individual interpretations will be made here. What we will see is global results and information aggregated by types.

Figure 6.1 Overall Patterns



Global Patterns

The first things to note are the shape and elevation of the curves. The norm for the general population is taken to be at 50, plus or minus two standard deviations of ten each. Thus, 98 percent of results are expected to fall between 30 and 70. We see that this is

generally true for both the craftsman and the technocrat but not at all true for the artist. The 4th and 8th scales are almost three standard deviations from the norm and many are close to or above the upper limit of 70. The shape of the curve has an upward sloping character which means that the artist tends more toward the psychotic end. Downward sloping curves indicate more neurotic patterns, while flat curves may represent personality disorders (defensiveness in test-taking and/or lack of personal insight suppresses all results). The almost perfectly flat curve of the technocrat may indicate such a personality disorder. The craftsman curve follows the norms with the exception of scale number five which measures non-traditional male behaviour. It indicates that our craftsman surpasses the male norms for the general male population with respect to "gentleness" and "introspection". Elevations on this scale act as a moderator on the other clinical scales.

Blind Interpretation

The profiles were presented to Dr. Graham Turrall, a Toronto-based consulting psychologist who works with the MMPI daily in his practice. He was asked to interpret the results first blindly, with no clinical information, and, subsequently, in possession of clinical information. The conceptual categories of artist, craftsman and technocrat were explained to him. What follows is a verbatim account of his initial, blind interpretation of the three profiles.

Profile One: The Artist

Here's one of your artists. Healthy ego. Highly artistic, creative. At times he has a hard time distinguishing reality from fantasy. Uses fantasy to overcome anxiety. Exceptionally sensitive, non-traditional male. Quite isolated but has enough energy to interact socially. Quite hysterical. Exceptionally creative and fanciful. Similar to Picasso. Totally non-traditional.

Profile Two: The Craftsman

This must be a craftsman. Very flat. Soft, gentle, introspective guy. Just allows the world to happen. No big bitches with the world. Likes people. Exhibits some lack of psychic energy.

Profile Three: The Technocrat

This guy's very defensive, psychically well-defended. Not admitting to anything serious. More sensitive than he would like to be perceived. Chronic worrier. Lots churning around inside that's never talked about. There's a flair of creativity but -- this is the key-- it's repressed and denied. Under stress, he's paranoid (can't trust anyone but himself) and will project blame unto others. He's isolated, angry, tense. cold, rigid, brilliant --- like Eichmann.

The trained clinician sees much more in the profiles than does a lay interpreter. He sees, of course, the elevations in the artist's graph and the lack of variation in the craftsman and technocrat graphs. But he sees beyond these as well. For example, Figure 6.1 shows a low, completely flat, profile for the technocrat, yet the clinician finds more interpretable material than meets the eye. This because he balances the graphic output with the validity scales.

The Validity Scales and their Impact

There are four separate checks on the profile validity in the MMPI. Individuals are instructed to try to answer all questions but the average person is unable or unwilling to answer all. Thus, the number of blanks becomes an useful indicator of confusion (in the case of individuals with a literacy problem), defensiveness (fear of being seen), or lack of cooperation and/or indecisiveness. Too many blanks throw into doubt the reliability of the profile. The second validity indicator is "L" for outright lying. There are questions to which almost no one could respond negatively, for example, and yet the subject does so: For example, the subject answers false to "I get angry sometimes". The third validity scale, the "F" scale is designed to capture unusual thought content. For example, one of the sixty-four items which, if answered true, elevates the scale is, "My soul sometimes leaves my body". No judgement is made of the statement except to note that most people will not reply in this direction. Very low "F" scores may indicate defensiveness. Finally, the 22-item "K" scale was designed to detect more subtle forms of defensiveness, not

as strong as outright lying (L) or not answering (?). In this, we find items such as, "At times I feel like swearing" to which the subject responds negatively. Of course, one such item cannot elevate the scale. It is only the overall score which can impact the rest of the test.

What the clinician, therefore, sees in these graphs is modulated by the combination of validity scales. The level of blanks or "cannot say" (?) was in acceptable bounds for these profiles. Both the craftsman and the artist exhibited very little lying; "L" measured, respectively, only 2 and 3. The technocrat, however, scored 8 on the "L" scale, a very high elevation. Both the craftsman and the technocrat had little unusual thought content, scoring only 2 and 5 on "F", while the artist registered a very high 17, more than three standard deviations from the norm. The more subtle forms of lying or dissimulating captured by the "K" scale revealed very low scores for the craftsman, moderate elevation for the artist, and high elevation for the technocrat. Finally, a special measure, "F-K", is an indicator of whether the test results should be scrapped altogether. A cut-off "rule of thumb" of plus or minus 16 is used clinically. Table 6.1 summarizes these results.

Table 6.1: The validity scales

validity scale	artist	craftsman	technocrat
"L"	3	2	8
"F"	17	2	5
"K"	16	9	20
"F-K"	1	-7	-15

In the absence of clinical information, and relying purely on the validity indicators, Dr. Turrall felt that the craft profile was reliable. Subjects with very low "L" and "F", and very moderate "K" are not defensive and are described as "unassuming, unpretentious, simple and sincere, moderate, honest, slow, calm and dependable". (Dahlstrom, Welsh and Dahlstrom 1972:159). We know from our adjective lists, that these characteristics, in general, apply to our craftsman and therefore clinical information confirms the validity of the profile.

According to Dr. Turrall's reading of the validity scales for the artist, this profile, too, is reliable. There is no evidence of defensiveness, low "L" and moderate "K", with "F-K" within a very acceptable range. The very high "F", indicating unusual thought content, is unsurprising for this person who, according to clinical scale elevations, is very non-traditional, and non-conforming with a very rich fantasy life.

The technocrat profile represents an entirely different matter. High elevations in both "L" and "K" are worrisome and may indicate an attempt to create a false impression, or, more likely, a serious lack of personal insight. "Valid elevations [of "L"] in the high to markedly elevated ranges are most likely to be generated by subjects who are honestly describing themselves as they see themselves. They tend, therefore, to be overly conventional, socially-conforming and prosaic. Some of the descriptions actually correspond to their habitual patterns of behaviour while other features of their test answers

reflect their poor insight and limited self-knowledge" (Dahlstrom, Welsh and Dahlstrom, 1972:158). "K" elevations in this range indicate defensiveness, a wish to "maintain an appearance of adequacy, control and effectiveness" (ibid:166) whether conscious or unconscious. Finally, the "F-K" score approaches the level of invalidation. The net effect of these indices is to throw into serious question what seems otherwise to be a very "normal" profile. Elevations on these validity scales has a depressing effect on the clinical scales. In clinical practice, therefore, the clinical scales are inflated at their highest points by one to two standard deviations and Dr. Turrall's comments on the technocratic profile cited above reflect these corrections. Thus, he sees more than we do in the graph, but what he sees is corroborated by our clinical data-- the adjectives. Thus, we ask ourselves, which of the two interpretations is more valid? Either the technocrat is someone exceedingly well-balanced, as his curve would suggest, or, as the adjectives "stiff", "uncompromising", "distant", "cold" and "difficult" suggest, someone more troubled than the raw profile implies. Both the validity scales and the clinical information reinforce the impression that the latter is much more likely.

Configural Analysis within the MMPI

While individual scale elevations are important to the interpretation of the MMPI profile, configurations or patterns of results form the basic diagnostic aid. There are atlases, for example, which describe the person who might score, say, high code 7

followed by 2, as "... college counselees with this code pattern very frequently fell into problem groups characterized as tense and indecisive" (ibid:280). In that case, however, the clinician is in possession of personal information which helps him to understand whether the symptomatology is long-standing and, let us say, characterological, or transitory because of some disturbing life event. The MMPI, it must be emphasized, is *designed* to be sensitive to *changes* in an evolving therapeutic picture. Test-retest reliability is *designed* to be low, particularly for some scales such as depression. Thus, the particular life events through which our executives are currently travelling have a fundamental, not casual, impact on their MMPI configurations and makes typical, static configural analysis much less useful. We see, in the MMPI results, much more so than in the factor and correspondence analysis, the individuality of our executives. Every profile is different and significantly so. Each individual is passing through events only his own, more or less disturbing to him-- family discord, troubled children, work frustrations and difficulties, threats and opportunities. Further, there are particular syndromes which are, by their very nature, cyclical; the manic-depressive or cycloid pattern, for example, is *defined* by instability. Thus, we may expect that a person with this tendency may be in either the manic or the depressed phase of the cycle and this result will influence *all of the other clinical scales*. With these important caveats in mind, let us proceed to some comments on the ideal types.

The Artists

For reasons of confidentiality, results are reported for the group as a whole, including all persons with strong elements of the artistic temperament as evidenced in chapter five.

Of the five individuals, all produced valid profiles with little evidence of defensiveness. There is one exception to this rule and his results have been inflated by a, conservative, one standard deviation. The first thing of interest is that these profiles are substantially more elevated than the other ideal types and in all cases, in a psychotic direction. That is, the curve is upward sloping. From both the MMPI and our clinical data, it is clear that there is a manic-depressive or cycloid element in these people. In two cases, this shows up directly with scale number nine -- hypomania -- averaging 75, the highest clinical scale in the profile. These two are in the manic phase of the cycle, with frenetic activity as a classic defense against depression. Their score on the depression scale is correspondingly low, averaging only 45. The other three are in the depressive phase of the cycle and average 70 --- the upper limit of the norm --- on that scale while only 51 on the hypomania scale. The two subgroups are mirror images of each other. The manic energy normally deployed in creative work is, in depression, turned inward to "brooding", "resentment", somatic complaints (or their over-strenuous denial) and/or persecutory ideation -- the paranoia scale gets elevated. Two show significant "autism"-- the tendency to retreat into a rich fantasy life as an escape from anxiety. The three

in the depressive phase have reason to be; they have all had recent major defeats. The two who are manic are running from the possibility.

The Craftsmen

Four out of five craftsmen produced valid profiles. One was so defensive as to be invalidated ($F-K = -21$) and is not analyzed here. On the whole, the profiles are not elevated with very few cases surpassing the norms for the general population. However, because of work-related problems, three of the four are experiencing depression, one serious enough to have confused thought processes (elevated on scale eight, schizophrenia), including the development of phobias. The fourth is fighting for his professional life but, in terms of symptomatology, is denying it. He produces, instead, physical symptoms; in the jargon of psychology, he somatizes. Apart from the case of serious depression, there is no evidence of unusual thought processes, a proxy for creativity. These people are normally stable and good-natured.

The Technocrats

The technocrats produce the profiles with the most uniformity. They are all quite defensive, with elevated validity scales, but the profiles are nonetheless valid. The curves are almost flat, with one exception to which we will return. All have highest points around scales three and four, hysteria and psychopathology. These two

scales, occurring together, are associated with a "picture of control and guardedness" typical of the passive-aggressive personality. "The magnitude of scale four seems to reflect the aggressive or hostile feelings and impulses that are present to a significant degree, while the scale three height in turn shows that repressive and suppressive controls are even stronger than the impulse." (ibid:267) These persons, "although inhibited and moderate, episodically express their aggressive feelings directly and intensely." (ibid:271). Mainly under control, our technocrats are sometimes identified as "explosive". On subscales measuring "inhibition of aggression", several profiles are between two and three standard deviations from the norm in their uncorrected state. Three of four are "repressors"; that is, they repress and control their aggressive impulses and the magnitude of the repression is an indicator of the force of the underlying impulse. Unfortunately, success at repressing an "undesirable" emotion entails a suppression of all emotions². Thus does the technocrat appear cool, emotionally-contained, distant, and his "preferred defense mechanisms are repression, intellectualization and reaction formation, and, under stress, denial and projection" (Computer output).

One technocrat does not fit this pattern. He is, in Dr. Turrall's estimation experiencing a "reactive depression"; life is not turning out as he expected. He feels he ought to have more power and

² Freud dealt explicitly and extensively with the phenomenon of repression and its association with the obsessive-compulsive personality both in cases (eg. Ratman) and in his treatise *Inhibitions, Symptoms and Anxiety*. In the business context, Kakar (1970) analyzes the case of Frederick Winslow Taylor within a Freudian perspective.

prestige. His MMPI is elevated on the depression scale followed by scale three, hysteria. "In behaviour, men with 23 codes seem driven, competitive, and industrious but not wholeheartedly so. They are also dependent and immature, so that the increasing responsibilities that they strive for, and get, are, at the same time, dreaded as sources of additional stress and insecurity. They may suffer because of what they feel to be a lack of recognition in their jobs, or because they are not promoted as they feel they should be. Despite their conflicts, these men are usually able to maintain an adequate level of efficiency" (ibid:259).

Summary and Implications

The MMPI, alone, is rich in personal data. It help us better to understand the individuals qua individuals. However, because of its very sensitivity to the person, its provides only limited generalizability as between persons. Thus, what we are able to infer about the artist, for example, is that he is "unusual"; his responses to five hundred and sixty-six questions are very different from those of the "man on the street". He shows here his characteristic mood volatility, swinging from depression into manic activity. He shows non-conformism, and unusual thought processes. He is impulsive and somewhat theatrical. There it stops.

The craftsman, we discover, is much closer to "Everyman". His responses rarely separate him from the norms. Those who lean

toward the technocrat use his defense mechanisms of repression and intellectualization. Those who lean toward the artist react to pressure with depression and regression.

With his preferred defense mechanisms of repression, intellectualization, and reaction formation, the technocrat comes closest to a known personality disorder -- the obsessive-compulsive (see Appendix D). We see that his repression of aggression succeeds in suppressing all emotions and transforms him into an outwardly "cold" person. Isolating his affect from his thoughts, he uses intellectualization as a defense against anxiety. Thus, clinically, we hear him say, "It's nothing personal. He's a good guy. He had to go. That's all." Most of the time he uses reaction formation to control his hostility; that is, he denies his aggression and turns it into its opposite. He sees himself as a "good guy" although others clearly do not. Others mistrust him because, underneath his protestations of kindness, lurks the uncompromising hostility and self-righteousness which they dread. Fearing the unknown, the obsessive-compulsive seeks above all else, control. Logic, science, rational analysis, become his passwords because these things promise to control an otherwise frightening and uncertain future. Under stress, he projects his forgotten emotions unto others. He calls them "emotional", "impulsive", "aggressive". He blames them for the errors not they, but an uncertain world, create. Once he has "ordered" his world, he is stubborn about changing his view. He is conservative because change is menacing. His repressed anger comes out when he is contradicted or defied. His relations are organized around dominance

and submission -- him dominant, the rest of the world, submissive.
 "Wilhelm Reich described compulsive characters as living machines."
 (Shapiro, 1965:23)

Hypotheses: Confirmed or Infirm?

In many respects, the MMPI infirmed the hypotheses. Not all artistic subjects exhibited frank cycloid symptomatology of a manic form. Because of personal circumstances, some are in depression which both the clinical and the MMPI information confirm. Their personal clinical histories, however, suggest that the hypothesis was not mistaken. Similarly, the MMPI showed much less unusual thought content or processes for these people than was hypothesized. That result, too, is influenced by the depression in which some find themselves. It is in the manic phase that the artist writes, paints, produces. Nor does his theatricality show up as anticipated. It reveals itself not in activity but in inactivity. Because he does not repress his symptoms like the technocrat, he feels his depression, his anxiety and, somewhat histrionically, exaggerates it.

Similarly, the results for the craftsmen do not show the typically well-balanced portrait anticipated. This because too many of them are depressed. Their graphs tend neither toward the neurotic nor the psychotic but the extent of depression was perhaps predictable --- because of the professional difficulties with which they are confronted --- but unpredicted.

Finally, the technocrat shows his compulsive colours here but not as hypothesized. He was expected to register in an elevated fashion on the seventh scale. He did not. Ever. However, scale seven is designed around the more frank symptomatology of the obsessive compulsive character; that is, it measures overt compulsions like hand-washing, or overt obsessional ideation like planning one's day, all day long. Our "compulsives" are not "ill"; their rigidity shows up elsewhere and is confirmed by the clinical data. This leads to an important point about research centred on the MMPI.

Used alone in a research setting, and in the absence of either long observation or clinical substitutes such as the adjective lists, the MMPI would not lend itself to accurate character research. Of course, it was not designed to do so. As is repeatedly stressed in the profession, it is a complement to, and never a substitute for, clinical judgement. Because it is so sensitive to current emotional state, each portrait is distinctly different. In this sense, it is an entirely inadequate stand-alone method to develop taxonomic data. Here, it was not used alone and therefore it succeeds in amplifying and enriching our understanding of the psychic processes, the reasons behind the outward manifestations, that we picked up in interviews, in observation, and in the adjective check lists. For reasons both of individuality and of confidentiality, then, we can expect no more of it for now.

Chapters five and six have served to lay the basis for chapter seven which forges linkages between character as described here,

and strategy. Chapter seven is an integrative one and relies on the reader's possession of the terminology, the conceptual categories, and the analysis of preceeding chapters.

Chapter Seven: Character and Strategy

We have seen, in chapters five and six, that there have been three "ideal types" and three mixed types of leaders involved in the corporation. The artist is seen to be "volatile" and "imaginative" and this outward manifestation corresponds to inner processes related, first to his "cycloid" character, and, secondly, to his "autism", his capacity, or indeed his need, to dream. The technocrat, on the other hand, is seen to be "analytical", "meticulous", "cerebral" and, often, "brilliant", as well as "difficult", "uncompromising" and emotionally cool. These are the manifestations of inner psychic processes akin to those of the obsessive-compulsive personality; fear of the unconscious and the emotions, particularly anger, which causes a generalized suppression of emotion, an attachment to the security of a fixed idea, and a tendency to intellectualization and isolation of affect from thought. His need to intellectualize, coupled to above-average intelligence, makes him a powerful analyst. The craftsman is not simply mid-way between the two, a residual category -- "all others". He is "honest" and "dedicated", loyal and straightforward. He is intelligent, forceful in defense of his values, with an appreciation of hands-on experience that sets him apart from his fellows. Psychically, he is a little more than "everyman"; he has above-average drive, otherwise he would not have sought positions of power. He is polite but not a pushover; he won't hide his values in order to survive.

We can imagine, although we have not yet seen, how these characters would interact on the corporate stage. Chapter four offered

a bare-bones sketch of the corporation's evolution over the past fifteen years. We saw that there were very distinct phases through which it passed but, at that time, we did not know who was "in charge". It is time to find out. And, although many relationships between character and strategy may have been implicit, it is time to make those relationships more evident. This chapter draws together the strands of the data -- the formal analysis, the MMPI, the archival material, the observation and the interviews -- to retell the story of the corporation's evolution from the, far-from-dispassionate, point of view of the actors themselves.

The Early Years

Our story opens in Edinburgh in the nineteen sixties. The aging Chairman of the Board and co-founder of a forty-year-old, medium-sized, insurance company is preparing to retire. He does not have confidence in the ability of any of his employees to take over the managerial reins. Recently he has come into contact with the young founder of a very small, rival company and was very favorably impressed with the man's style. Although self-taught, the young man seems to have a sophistication beyond his years and to have established a reputation as both scrupulously honest and far-sighted. He courts him. The young man is not anxious to give up his entrepreneurial freedom. After much soul-searching, and with the prospect of much wider horizons before him, he accepts. Within a year he is firmly in control. Within eighteen months he makes his

first acquisition. For the next ten years, the aging Chairman cannot catch his breath. He never regrets his decision.

In 1965, the company had a small but important hold on the regional market around Edinburgh. A local "favourite son", it benefitted from its reputation for strengthening the Scottish economy. Scot patriotism and "home-rule" sentiment were running high. Whereas previous management had been content to tap this local sentiment, our young man felt that more could be done. However, at normal growth rates, the company's relatively small scale gave the absolute growth advantage to its competitors. "If we and company "x" both grow at the same rate per year, then they will add two hundred million sterling to assets and we will add only ten. They get farther and farther ahead of us. That's why we have to acquire". With a limited capital base, a property and casualty company is restricted in its capacity to make large acquisitions. Our young man, now the managing director, decided to solve this dilemma in two ways. During the course of the first acquisition, a troubled Edinburgh insurer, he had come into contact and indeed close collaboration, with a large Irish firm which had held a controlling interest in that firm. He had negotiated a "sweetheart deal" with the Irish which bought them both peace of mind and steady dividends on their remaining minority interest. His personal charm and astute negotiating skills -- not taking advantage of a momentary weakness -- had earned for him permanent, and wealthy, friends. He was to use them repeatedly over the next decade and the formula of controlling a target with less than

fifty percent of the stock was to allow him to leverage his company's limited assets far beyond their paper worth.

The second axis of his strategy was to buy a life insurance company. Because life insurance contracts and liabilities are very long-term compared to general insurance, a life company builds up enormous assets. Controlling those assets gave him a pool of capital much more interesting to play with and play he did. There was another reason as well; with the growth of the welfare state, insurance companies faced the daily threat of all or parts of its businesses being invaded. He felt, therefore, that it was only prudent to be diversified in financial services. He bought a real estate company. Taking over a holding company in order to get his hands on its insurance assets, he acquired shares in a small bank and a building society. Believing that the future would belong to those who see it coming, he bought "modern communication" companies, companies which might just end up providing the best way to sell insurance. While his competitors sat smugly and safely behind the walls of their sectors -- banking, general insurance, brokerage, life insurance -- he broke out of the "industry recipe" and out of the borders of the financial sector as a whole. He was building a conglomerate.

Personally indefatigable, with a restless, effervescent energy, he was never content to rest on his laurels and never persuaded that he had all the answers. He sent his lieutenants to the United States to come up with new ideas. He put together a think tank of five or six "experts" which worked for three years to conclude:

- 1) that the company should invest *outside of Scotland*;
- 2) that the company should intensify its acquisition strategy with particular attention to England, Canada and the United States and to continue to diversify sectorially.

This is exactly what he pursues as the period 1975 to 1980 opens. In Scotland, he is third in general insurance, sixth in life; there is much to do.

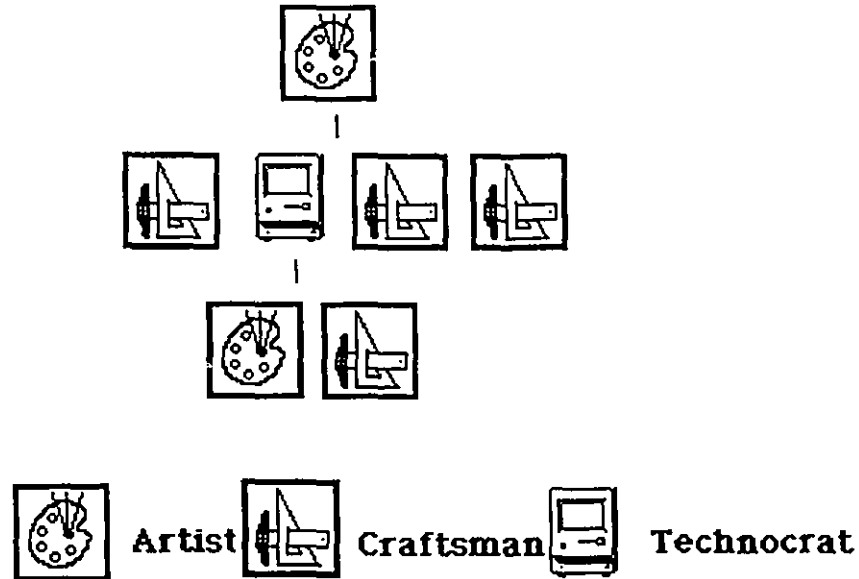
Well known, now, in all of Scotland, with strong bases in Edinburgh and Glasgow, he is in the "network" and, because he has a reputation for moving decisively when opportunity presents itself, many prospective "deals" are brought to his attention. In 1976, he is on an airplane with an acquaintance whom he knows to be dissatisfied with the performance of his English life company. He whispers in his ear that if ever this gentleman wished to sell, he would be interested. The call comes shortly thereafter. With some fancy legal footwork, and the assistance and participation of the ever-present Irish, he manages to swallow the London-based life company more than twice his size. Jubilation is the order of the day. Not only does he now have an important presence in a major world financial centre but also the life company has subsidiaries in Canada and the United States. In one sure move, he has catapulted a previously-obscure Scottish company unto the world stage.

The following year sees him take over another London holding company which allows him to solidify his position in general insurance

and pick up more shares in the bank and building society mentioned earlier. In the process, he gets more real estate for his real estate development company and a woolen mill. He gives free rein to the local management in Canada and the United States and assets begin to climb there as well. Finally, by the end of the five year period, he controls the bank and is able to appoint his own man. It is 1980. He has been "in power" for fifteen years. For him it seems short.

His empire is big. He cannot run it all. At the time of the London life company acquisition, he had felt it necessary to hire a very senior man to run it; someone with more life insurance knowledge than he had. And, he had to put someone in the bank. He continued to watch over general insurance, considering himself very ably seconded by an operating executive that he had picked up, and promoted, during an earlier acquisition. The other disparate "pieces" were also his responsibility. Thus by the end of the decade, the organizational structure and the people in it looked like Figure 7.1. He is, of course, an artist. Running the life company is a technocrat and its U.S. and Canadian subsidiaries are run by an artist and a craftsman. There is a craftsman at the bank, another one in general insurance, and a third with miscellaneous responsibilities.

Figure 7.1: Structure, 1980



The Man, the Organizational Climate, the Strategy

What kind of man was this who was able to build a financial conglomerate with few resources and in defiance of the conventional wisdom of the day when bankers and insurance executives had the reputation of being, at best, "stuffy"? Tall, strong, handsome, with the bearing of the Scottish King after whom he was named, James easily conquered all those he met. "When he walked into that London Boardroom for the first time after the takeover, everyone was on guard. Historically suspicious of the upstart Scots, these men expected the worst. They expected him to be both mediocre and arrogant." By the end of the day, he had allayed both fears. He conceded that they knew more about the business than he did. He reassured them that he wouldn't interfere. He smiled readily. He shook hands all around. He

wined and dined and toasted their collective futures. He left having won them all over. What kind of magic did he have?

First of all, he had the magic of the artist. "I was always astonished and puzzled by his capacity to sense the waves of the future before anyone else. Sometimes I thought of it as "feminine intuition"; the French call it "pif", the "nose" for it. Like some kind of "sixth sense". He was always talking about where the corporation would be in twenty years. And, he had a prodigious memory. During heated negotiations, he didn't need to refer to crib sheets. He remembered all the numbers. These sentiments were almost universal. Nine out of ten call him "imaginative", "intuitive", "visionary". Ten out of ten call him "energetic" and "entrepreneurial". Not at all surprisingly, in factor analysis he "loads" close to eighty percent on the artist "ideal type". These qualities made him an inspiring leader; a leader who gave people a sense of going somewhere and of participating in something important. He had a gift ; but these gifts, alone, can sometimes wear thin with time and, as important as they were, it was perhaps his other side that kept people close, loyal and dedicated.

His other side was craft. Ten out of ten describe him as "people-oriented", "wise", "honest"; nine out of ten, as "humane", "amiable", "warm". In the factor and correspondence analysis, he finds himself almost exactly half way between the artist and the craftsman ideal types. And, although he is a polar opposite of the technocrat -- appearing, in Figure 5.1, in the southeast opposite the technocrats'

northwest quadrant -- his craft virtue of open-mindedness made him tolerant of other personal styles. He could work well with artists, craftsmen and technocrats. He admired the latter's skills. Self-taught himself, he had a tendency to be in awe of the formally-trained. He liked people and they liked him. He scores zero out of ten on "distant", "stiff", "cerebral", "difficult" and "uncompromising". Unfortunately, for him, he also scored zero on "meticulous" and "detail-oriented" and too high on "emotional".

Without the artist/craftsman's open-mindedness, the pure technocrat found him beneath respect. His images of a distant future struck the technocrat as "unrealistic", even foolish. His passion, his dedication to "causes" made him appear, to the technocrat, sentimental. His decisiveness, impulsiveness were anathema to someone who felt that business was a very serious affair and one which necessitated knowing exactly where one stood, having the "facts" all documented and the strategy clear. "Woolen mills, TV escapades. He didn't know what he was doing. It all had to be cleaned up. Put into order". What an admirer called "images", a technocratic detractor called "riddles", "metaphors", that sometimes made no sense even after they were "decoded". "He's incapable of making a logical decision; he's too emotional; he cares about where head office is located; he doesn't understand that it's just a building; it's necessary to move. It makes economic sense". Another adds, "He was incapable of firing anyone. He was too close to his people. He always lets his feelings interfere with his judgement". This was his Achilles heel. It would prove crippling.

For the moment, however, he is still firmly in charge. His Messages to Shareholders in annual reports speak to his central preoccupations: corporate growth, the creation and maintenance of a corporate culture that enlists the creative outpouring of its employees, social progress for the collectivity. Poems introduce the message. In one, he almost apologizes for having to report on earnings; "Even though we don't believe an institution like ours should be judged strictly on the basis of the judicious and efficient use of resources, nevertheless, once a year we have to tally up." "Enough for numbers", he very quickly goes on to quote St-Exupéry on the importance of being larger than ourselves, carrying within us the hopes and dreams and well-being of others. Speaking, in one annual report, of the corporation's reason for being, he talks about love:

Man reacts instinctively to the pressures of material need and the desire to live in friendship and love. It seems to us that to respond to these twin needs gives our institution a worthy reason for being.

With respect to the dangers of an unknown future in changeable times he writes;

Our era demands much but promises even more! Even though we may feel a certain vertigo in front of the dangers, we can also taste -- even exalt in-- the joys of knowing, creating, living.

Often philosophical, he dares write, in an annual report, that aggression, animosity, even hatred are nothing but "an unconscious cry, an urgent appeal for more love". As though to underscore his

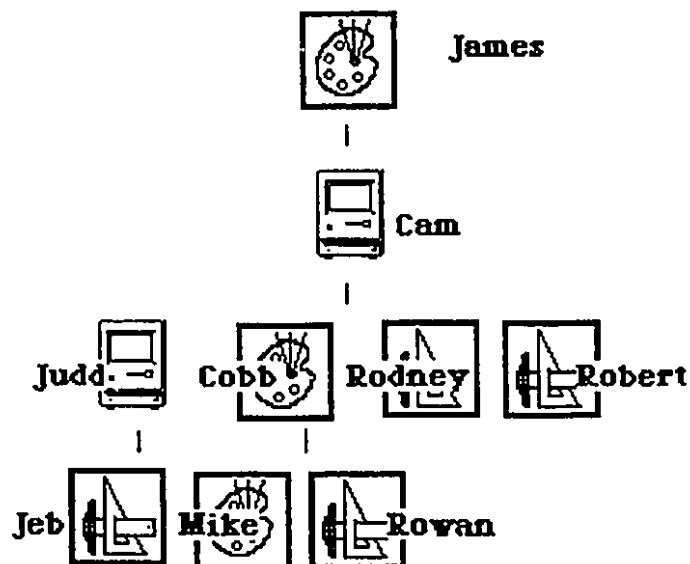
point, he blankets the cover of the annual report with hundreds of names of employees. That year, it didn't win a design award. Finally, amidst all this talk of love, harmony, happiness and understanding, is always the note on growth. "An enterprise", he writes, must always be judged by its investment in the future and by the ingenuity with which it acts as a pioneer". As the next period opens, both he and the corporation he leads are in full flight.

Turning Points: 1980 to 1985

The first two years of the new decade are marked by the consolidation of the bank and another major acquisition in general insurance. Already corporate assets are more than two billion sterling. He's very busy. But another preoccupation begins to weigh on him. He is in his mid-sixties. He must plan for succession. Long walks and long talks with his wife are the order of the day. "Sometimes a man can stay too long in an organization; it needs fresh air, a new approach". In his mind, there is only one man for the job; only one man who has the breadth and the knowledge to understand all the pieces of the puzzle that had become his empire. That man had been with him since a major acquisition in the seventies. He had the confidence of the board and he was all that Jim felt that he himself was not: brilliant, stable, trained, solid, serious. In 1981, he invited him to accept the post of managing director. Jim would stay on as Chairman. The deal was accepted.

To free both of them for other responsibilities necessitated hiring two new, senior men for the two largest operating subsidiaries. They interviewed the candidates and jointly agreed upon two men such that, by 1982, the organization chart resembled Figure 7.2. The artist, James, remained in the chair and, effectively, very influential with his power base rooted in the shareholders. A technocrat, Cam, became the number two man and, as fate would have it, the recruits turned out to be a technocrat, Judd, and an artist, Cobb. Two craftsmen from the ancien régime, Rodney and Robert, would survive the change and retain their status; one, Jeb, would be demoted to the third level.

Figure 7.2: 1983



As the number two man, Cam, had been becoming more and more influential, the Chairman had been persuaded to sell off the "bits and pieces" which according to the former, "made no sense".

The earlier dream of distributing financial services through electronic means had not come to fruition. Perhaps it had been a "pipedream". The communications interests were sold off. In fact, anything that was not, strictly speaking, financial services was sold off. Two new sectors were added by acquisition: investment banking and investment advisory companies as, by now, the whole world began to talk of the "collapse of the four pillars": banking, trust, insurance and brokerage. It had become the new "industry recipe" to be involved in all four and, where regulation permitted, to engage in cross-selling and marketing. "Synergy" became the new watchword.

Meanwhile, the two new men were settling into harness and already things were beginning to heat up in the largest sector. The artist in charge there, seconded by a craftsman with entrepreneurial tendencies in the United States and another artist in Canada, was already on the march. Called by Rowan to come to Boston in the spring of 1984, Cobb approved within minutes a life company acquisition which would more than double corporate assets on that side of the Atlantic. Similarly, in Canada, Mike was giving vent to his acquisitive instincts, buying up life companies. By 1985, the parent company's need for capital was seemingly insatiable. Public issues and private placements took place literally monthly. With the acquisition of the final controlling block of the bank's shares, the corporation was now able to remove the fiction of equity accounting and consolidate the assets of the bank into its balance sheet. Assets ballooning, it was a propitious moment to use capital markets. The

company was "on a roll"; it seemed in good hands; the team seemed to work. The premature demise of the man running the bank had been a blow but the new man, Robert, a craftsman it turns out, looked solid. The Chairman decided to step down and to transfer all power to the number two man.

Interviewed shortly thereafter, in early 1987, he was asked if anything could jeopardize the future of his firm; could it be taken over by bureaucrats, for example? He replied, "No. Its entrepreneurial character is too well-entrenched. It's too strongly ingrained in all the people." Nothing changes overnight but changes were to come.

Changes: 1985 to 1990

The artist disappears. He remains on the Board but both formal and informal power are now in the hands of another man. What kind of man was Cam? As noted above, he was a technocrat. In factor analysis, his results loaded at greater than .6 on the technocrat ideal type and, importantly, at negative .6 on the artist ideal type. In correspondence analysis, he is located in the northwest quadrant opposite Jim in the southeast. His results weigh the heaviest in the alignment of vector two, here styled the technocratic vector, to which the adjectives most negatively associated are, in order, humane, amiable, warm, helpful, generous. Jim has chosen his opposite to succeed him. But why? For his talents. Nine or ten out of ten call him "serious", "cerebral", "hard-working", "meticulous", "determined" and "methodical". He scores the second highest of all on "brilliant". He's

conservative, controlled, intense, punctual and polite. He knows his business. He seems very sure of himself. Not a man to make many mistakes. Solid. Inspires confidence that everything will be under control, everything in its place. No loose ends. Rational choices. Analytic procedures. Sophisticated, in the way that a self-taught man may find himself deficient. When asked why Jim might have made such a choice, one former senior employee stated, simply, "He made a mistake; human beings do you know". Time will tell.

The Team: 1986

It is appropriate, now, to pause to meet the rest of the "team" because it is during this brief interlude that it actually existed. Although the formal power structure saw each of the four group CEO's --- Judd, Cobb, Rodney and Robert --- reporting directly to the Chairman, the atmosphere of power was much more diffuse. Each of the four held a seat on the nine-man Board and, in that sense, the Chairman was "first among equals". James, the previous Chairman, as we have seen an artist, was still a member. The Board functioned with little ceremony, more like a management committee than a formal Board of Governors. Everyone had his say; there was no obvious deference to formal authority. "Deals" were brought to the table and consensus achieved with little ado. If there was deference at all, they each deferred to each other's right to proceed independently in his sector. Each of the top four was "sovereign" within his jurisdiction but united in a confederal exercise.

On our left, in Figure 7.2, meet Judd, a technocrat. His profile is correlated at .77 ($p < .01$) with Cam's. In factor analysis, his results load at .58 on the technocratic ideal type and, like Cam, at a negative .58 on the artist ideal type. His results load as well at .4 on the craft ideal type because of scoring reasonably high on the cognitive craft qualities such as "conventional", "predictable" and "serious". In correspondence analysis, he is positioned within millimeters of the current Chairman, in the northwest quadrant.

On the check lists, no one calls him, "volatile", "funny", "exciting", "visionary" "intuitive" or "inspiring". One calls him "entrepreneurial". He is quite clearly not an artist. No one calls him "humane", "people-oriented", or "open-minded". He is clearly not a craftsman. On the other hand, a majority calls him "controlled", "serious", "hard-working", "intense", "analytical", "methodical", "punctual" and "determined". At board meetings, to which he unfailingly arrives on time, he talks of the progress being made in the merger of his various subsidiaries and the structure that will result from it. He speaks of glowing profit forecasts. Asked at the time if he didn't feel the need for more formalized strategic planning processes and plans, he replies "No. We don't need that. It's in our guts. We all know our sectors. We know what needs to be done". Conformist by nature, he senses that this is the prevailing opinion. It is not one from which he could then depart.

Reporting to him, is Jeb, an archetypal craftsman. Correlated on average at greater than .7 ($p < .01$) with the other five craftsmen, he loads at .92 on the craft ideal type. In correspondence analysis, he is

positioned due south, half way between the artists and the technocrats. At the top of the check lists are "honest" and "well-balanced", followed immediately by "humane", "amiable", "sensible" "dedicated" and "knowledgeable". He is also "predictable" and "conventional"; both admirers and detractors agree on these adjectives. Never cited as "difficult", "stiff", or "hard-headed", his relationships are generally harmonious. He is respected and liked by his subordinates, appreciated by the artists and other craftsmen and discounted by the technocrats; "He's weak. We need to get rid of him.": or, more subtly, "We have to put someone in there under him to strengthen the analytic capacity." Although seen to be "methodical", it is not enough. Because he is "knowledgeable", has long experience in the business, his presence is, temporarily, tolerated.

Moving right, we find Cobb, an artist. "Imaginative", "bold", "inspiring", "intuitive", he ties for first place as "exciting". He leaves no one cold or neutral. Overwhelmingly an artist, loading at .88 on the art ideal type, he is nonetheless seen by the majority to share the craft virtues of "honest", "humane", "people-oriented" and "open-minded". Indeed, it is just this craft capacity wedded to his artistic vision that makes him "inspiring" in the eyes of his subordinates. There is nothing so gratifying as to be genuinely listened to by someone we consider better than ourselves. One of his immediate subordinates said of him, with deep admiration and affection, "You work for a man like him once in your life". In correspondence analysis, he virtually single-handedly creates the art vector. His results are correlated at .6 with James and negatively at .4 with Cam ($p < .01$). Hard-drinker, hard-

player, ebullient and moody, funny and intense, he flies high, falls low, and withdraws -- temporarily. He exudes tension. He makes the technocrats exceedingly uncomfortable. The other artists alternately conspire with him, or, if necessary, try to end-run him to get their way. The craftsmen chuckle at his histrionics, laugh at his jokes and defer to his vision. They would follow him (almost) anywhere.

Reporting to him, from Canada, is another artist, Mike. Their results are correlated at .8 ($p < .01$). In factor analysis, his results load on the art ideal type at .87. Spiritually fellow-travellers, they sometimes get in each other's way. Dedicated to their own visions, impatient with any procedural delays, neither has much time for approval processes or rules. "There's more than one way to skin a cat" could be their motto. "Intuitive" and "honest", "entrepreneurial" and "generous", "daring" and "dedicated", he combines even more strongly the virtues of craft and art. He's visibly calmer than his boss but his actions speak otherwise. Like a good thoroughbred, he's classy; he is "given his head" and he takes advantage of it to run free; the technocrats would say to "run wild". He looks after "his people", genuinely cares about them. He helps them through difficult personal problems. He is loyal, perhaps to a fault. He is warm, open, laughs readily, smiles regularly. He admits, privately, to recurrent depressive periods but that is not what the world sees. Not at all arrogant, and with a craftsman's naiveté, he will later be bewildered by events.

Hierarchically Mike's twin, and emotionally his friend, is another craftsman, Rowan. In factor analysis loading exclusively on the craft

ideal type, in correspondence analysis he is drawn into the artistic orbit; this because the artists attribute to him their own qualities and because treated with respect, he acts to live up to their expectations. Amiable, open-minded and polite, he makes few enemies. Nevertheless, his days will be numbered.

Returning to the level of group CEO, we find two more craftsmen, Robert and Rodney. Their results load at .9 on the craft ideal type. Responsible, knowledgeable, trustworthy, reasonable and open-minded, one is quintessentially a craftsman and the other is positioned as slightly more technocratic in correspondence analysis. He is seen to be "conservative", stronger than "conventional". He's more controlled, meticulous, detail-oriented. But, honest and straightforward to a fault, he speaks his mind. Whatever resemblance he has to the technocrat in cognitive domains like being methodical will not be able to compensate for the craft sides of his managerial style.

This then was the team as the final period of our study opened: lead by a technocrat, still influenced by a previous artistic Chairman, seconded by two craftsmen, an artist and a technocrat. It was an interesting mix. How did they think and what did they do?

Strategy and Style

As noted earlier, the strategy of the ensemble had already, with the elevation of Cam to the number two spot, been evolving in a more well-defined sense. Gone long since were the "bits and pieces" which

James had picked up along the way. Now, this precision was to solidify; anything not directly connected to financial services was divested. The "industry recipe" of participating in all subsections of financial services was followed to the letter. That year's annual report was eloquent. It wrote:

Better-informed consumers, and a growing pool of savings, have brought massive change to the financial services industry. To keep up with this revolution necessitates being able to offer the consumer a broad range of products. In order to manage such a system requires, at the same time, huge continuing investments in information technology. The result is that your organization needs scale to defray these costs. The market is irreversibly committed to the integration of services.

This melody had begun to be played as early as 1983; never previously inclined to produce written strategy documents, the elevation of the current Chairman had begun to result in their proliferation. The '83 document was designed as a "guide" to the subsidiaries. It stated:

The ensemble operates in the general area of financial services including life, health, accident and casualty insurance, pensions, investment advice and management, banking and trust services and real estate development. The future belongs to those groups who specialize in chosen clientele and benefit from scale economies.

Two years later, the mission statement, conceived centrally and distributed to the subsidiaries, came close, but did not use, the then-prevailing vocabulary of "one-stop" shopping. It asserted:

The group is actively seeking to establish or to join existing distribution networks to reach more consumers. It is planning to develop a national brokerage network to promote the sale of life and general insurance products on an integrated basis. In addition, it is seeking to become associated with retail business firms to test the merchandising of financial services through retail distribution outlets.

Thus the strategy was exceedingly clear and well-defined. The craftsmen didn't buy it but didn't really care. Interviewed in 1987, one said, "I just keep my head down and look after business. That's what counts." To him, networking was a theoretical notion and probably, therefore, almost by definition, impracticable. The artists didn't in any way wish to violate the strategy as stated --- unless it got in their way. They largely ignored it, did not pursue the development of similar documents in their own jurisdictions -- much to the consternation of the technocrats -- and went about doing what they thought was important -- building scale. While the assets of the technocrat's sector remained steady or experienced growth which kept pace with inflation, the artistically-controlled sector assets ballooned. Quintupling in Canada, doubling in the U.S., overall the sector trebled. One craft sector kept pace with inflation and one added a significant acquisition.

Developments

Although London-based, our artistic managing director, Cobb, was almost never at head office. Spending half of his time on the

Concord, he was regularly called upon to be part of acquisition negotiations in Canada and the U.S. When he was "home", he was busy with his own "deals". In 1987, a broker approached him with the rumour that a certain retail chain in the UK would be open to a proposition to join forces with a financial services company. Controlled by a family with aristocratic lineage, the retail company would add London polish to the image of the group, still somewhat associated with its Scot past. Hampered by regulatory barriers and a shortage of capital, he couldn't swing the deal in his own sector. It was brought to the board. Here, everyone agreed that it was a golden opportunity. A work group was established to handle the transaction and Cam himself conducted the final negotiations. The value of the group's stock was trading well above book, propelled by market expectations of continuing growth. The retail chain became a significant minority shareholder at a high price and traded retail access for it.

This became the fifth major axis of development, mimicking the Sears experiment in the U.S., and someone had to run it. Too busy with offshore and domestic developments, Cobb was persuaded that it should be supervised by someone else. One of his vice-presidents, Bill, was promoted into the slot. He was a craftsman with artistic leanings, particularly skilled in marketing. "Honest", "humane", never "distant", "uncompromising" or "detail-oriented", he is sometimes seen to be "funny", "emotional", and "entrepreneurial". He was to report through the technocrat to the Chairman; this because Judd was based at head office and had "more time".

Hired to develop his sector, one of the craftsmen, Robert, had, that same year, found his prey. The owners of a Welsh holding company with significant coal operations was in trouble. They needed to sell assets to protect their core business. One valuable asset, was a small bank. The deal was consummated. It remained to be brought into the mainstream of the group's activities.

Not to be outdone, Judd engineered the acquisition of a relatively small block of general insurance business from a competitor anxious to retire from the English marketplace to protect his assets at home during a worldwide cyclical downturn in general insurance.

Centralization/Decentralization

Although both the historical ethic and the official language of the group were decentralist -- let the subsidiaries run their own show-- there were forces at work moving in the opposite direction. First of all, there was sheer size. As the group grew and diversified, both nationally in the U.K. and offshore, the centre felt cut off from the action yet globally responsible for it. Secondly, the strategy itself, of participating in all sub-sectors of the financial services industry, seemed to some to carry with it the necessity of "synergy"; that is, if you sell general insurance to a client, you may also sell life insurance or a mutual fund. Thus, the various units must be capable of cooperating and this was a delicate and complex question involving, among other things, complicated systems of sales remuneration.

Thirdly, there was a power struggle; would the centre be most important or would the subsidiary management. This struggle, not at all unique to this particular group, was fed by personal jealousies and by fundamental stylistic differences between the players. Thus, an artist said of the then-current Chairman, "He always talked decentralization. That was what was expected. But his actions were always centralizing". To a technocrat, with his deep-seated need for orderliness and control, decentralization spelled anarchy and this he literally could not abide. Given to intellectualization as a primary defense mechanism, he found in the first two factors -- size and synergy -- the perfect justification or rationalization of his actions. All of these issues were to come to a head around technology.

Technology

Servicing an increasingly diverse and demanding clientele meant massive investments in information technology. "Synergy", it was argued, necessitated that those investments be "harmonized", that all systems be made compatible. Separate systems development would involve huge outlays, possible duplication, higher than necessary operating costs and potential frustration of the "synergy" objective. Freed from the daily management of his own sector by the presence of a dependable craftsman, and physically lodged at head office, it was "logical" for Judd to assume responsibility for technological "harmonization". It was also "logical" that the subsidiaries would fight it. The craftsmen and artists running those subsidiaries saw it very clearly as an incursion into their operating authority, as a restriction

on their capacity to innovate in an area vital to competitive advantage, and as a patent power play. In a 1987 interview, one of them offered, "He doesn't care about costs or about synergy. He's simply trying to increase his empire and his power". Backed one hundred percent by Cam, he would, within two years, succeed in divesting the subsidiaries of important areas of discretion.

Marketing

What was true for technology, was also true, but to a lesser extent and with much smaller financial and discretionary implications, for marketing. "Synergy" required tapping in to the client data-bases of each subsidiary and developing common marketing approaches. In this case, the responsible V.P. at head office, reporting to the Judd, played an "encouraging" role not a dictatorial one. Nonetheless, any hesitancy or apparent lack of enthusiasm on the part of subsidiary management did not go unnoticed.

Strategic Plans

Two years earlier, and cited above, we had heard from Judd that formal plans were not necessary; "No. We don't need that. It's in our guts. We all know our sectors. We know what needs to be done". But now the "game" was no longer "knowing our sectors", and operating relatively autonomously within them, but rather developing synergy. Thus, plans were needed, indeed insisted upon. A head office

executive, under Judd's supervision, was given responsibility to "work with the subsidiaries" to develop written strategic five-year plans which could be "harmonized". All but one subsidiary, run by a recalcitrant artist, cooperated. He would pay for his intransigence. Once a year, a two-day planning retreat was organized to make sure everyone was "on-side".

Divestitures

All of this "planning" activity spurred an intensification of divestitures. If it didn't exactly correspond to plan, an activity was divested. Thus, in this period, assets accumulated in one sector were more than compensated by divestitures in another such that, overall, asset growth remained almost flat. This divestiture activity was steered by head office.

The Prevailing Ideology

Gone were the days when the annual reports talked philosophy, humanity, love and friendship. New words began, with increasing regularity, to replace them. Instead of "friendship" we find "efficiency"; instead of "love" we find "rationalization":

In our search for greater efficiency, the collaboration of our various companies has brought great benefit... Putting finance and human resources functions together allows us to benefit both from scale economies and from the possibility of the latest technological advances.

The next year the message is underlined again and the word "rationalization" is used twice in succeeding paragraphs. The first one reads:

From the point of view of rationalization, we have proceeded with the reorganization of [company x], with the sale of [company y] and we continue to concentrate on coordinating technology and marketing.

Management Style

The need now to have formal "plan" approval gave scope for more intimate inquiry into the managerial style in the operating subsidiaries. One craftsman put in his "Mission Statement" that his organization should, among other things, "be a place to have fun". He added his intention to create the position "VP of the Impossible". The Chairman's response, far from amused, was "Are these things really necessary?". They were removed. In another case, another craftsman took it as his mandate to visit regularly all his sales outlets. Cam considered this, according to him, as a "complete waste of time"; in the eyes of the Chairman this man had more important things to do than to go around talking with staff. One of those "more important things" was to produce profit.

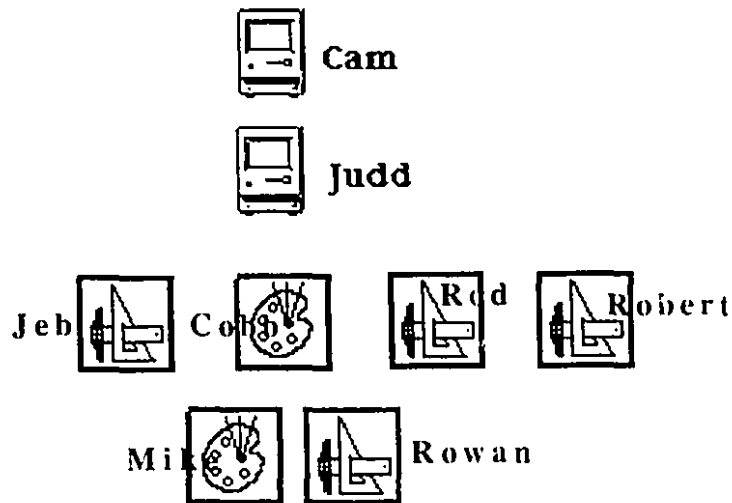
The pace of acquisition activity, although exciting "on the street" and stimulating for the price of the stock, was not without its downside. It took time, effort and a great deal of money to weld the various units into workable teams; always more time, more effort and

more money than forecast. And, acquisitions are not always successful. One in Canada was proving disastrous, draining the surpluses normally generated in that sector. Convinced that the stock price would follow earnings and not growth, the Chairman and his spiritual counterpart began a campaign to boost short-term profits. The emphasis, in plans, began to be put, not on long-term development, but on ROI targets. What began as an exercise in "harmonization" of visions ended in marching orders: produce fifteen percent ROI or get out.

Structural Change

Cam was beginning to feel that he had "too much on his plate"; in particular the regulatory authorities in all of the jurisdictions were very active and required constant watching. As the visible representative of the corporation, this responsibility not surprisingly fell largely on the shoulders of the Chairman. In addition, he was feeling his age. Anxious to provide for a smooth succession, he felt it was time to move one of the managing directors into the number two spot. His choice lay between an artist, running by far the largest operation, and the technocrat. His profile negatively correlated at $-.4$ ($p < .01$) with the artist and positively at $.8$ ($p < .01$) with the technocrat, it came as no surprise to anyone that Cam should choose Judd. "They're birds of a feather; they flock together" commented one craftsman, "clones". "The handwriting has been on the wall for some time", added another disillusioned craftsman. Thus, mid-way through this period, the organizational structure resembled figure 7.3

Figure 7.3: 1988



Profits: the New “Strategy”

The interest in “synergy” began to wane. It was time “to get serious”. Maybe this synergy business was a distraction; what we should concentrate on is running each core business to the best of our ability. A technocrat described it in the following terms:

In James’ day, it was a cult of personality. Things happened without him realizing it. In the sense that it was all opportunistic. There was no strategy. Why were they in Canada, the U.S.? It all lacked logic. Then they brought in the pros Cam and Judd to put some order into it all. They built the group around a concept that does not work – synergy. One-stop-shopping, like a drugstore. But, there

has been no revolution just evolution. Everybody is just getting better at what they do in individual sectors.

"Getting better" meant getting profitable.

Canada

Once contributing substantial profits to the group as a whole, Canadian operations were now a drain on cash flow. A two-year-old acquisition had gone badly awry. The due diligence at the time of acquisition had been badly flawed and the underlying assets turned out to be in much greater disrepair than imagined at the time. It was hemorrhaging cash. Mike, the artist in charge there was under considerable heat, as was his London boss Cobb, since Canadian operations were consolidated into his sector's earnings statements. Mike kept asking for time; Cobb was blamed for giving it to him. Formally now his boss, Judd insisted that Cobb place someone in charge "over there" who knows what he's doing. To him, that meant a technician, an actuary, an accountant, a "finance guy". Mike was temporarily "kicked upstairs", removed from day-to-day operating authority, and, within six months, fired.

Cobb:

I shielded Mike for a long time but I couldn't do it indefinitely. He was resisting. Talking back too much. He always said what he thought and that was very dangerous. They never had patience with investments. They panic. At that time, I couldn't stave off their assault. My own power base was too weak.

Mike:

It wasn't Cobb's fault. It was those guys. They have a total disrespect for skills, experience. Even when I was a kid I sought out older people to listen to. They think whiz kids can run anything. There's no tolerance for error. Trial and error is how you learn. If they had let me solve that hemorrhage I could have stopped loss. But no, they had decided that I created the problem so I couldn't solve it. It was the excuse they needed. They were just waiting for me to fall. I should have seen it but I didn't. I just couldn't believe they could be so stupid. I used to pray before meetings "Please God help me to keep my mouth shut", but it never worked. They wanted five-year plans but that stuff's just an excuse not to work. All they do is produce tons of paper that just goes into a shredder eventually anyway so what's the point. Can these guys produce and sell a product? No, they say in their plans, "we will produce and sell such and such a product" but they can't do it. They don't know salesmen. They can't stand them. Me, I honour them. I treasured what they did. You have to love what you do to do it well. They don't love anything. Me, I went on my instincts. Ninety-nine percent of the time it worked; I made one mistake. I'm out. But what will they do now? They've picked all the fruit from the tree to artificially inflate earnings. What will they do now? There's no fresh air. They're like the Russian technocrats, destroyers. That's why Russia's crumbling. Parasites living off the productivity of others and ultimately destroying that which they live off... OK, I screwed up but do they ever admit they've done anything wrong? For them, people have to be perfect, all assets, no liabilities. It's so unrealistic.

In this "cri de coeur" we hear the artist's disdain for planning exercises. We hear the belief in instincts. We hear, once again, words like we heard from Jim -- "love", "honour", "treasure". We hear the craftsman's respect for experience and his disrespect for theory, "It's so unrealistic".

Cam:

You know it's the only thing I regret; I should never have let him buy that company. I had strong doubts but he was so insistent. It's too bad.

In this case what we don't hear is more important than what we hear. Cam is not remorseful about the firing. Mike made a mistake and, as surely as night follows day, had to be fired for it. He regrets, instead, not having maintained a fail-safe system, not having "controlled" the situation.

A Board member:

They should never have fired Mike, but he was just like James and Cobb. Generate new ideas and get on with it. Entrepreneurial personalities, impulsive, opportunistic.. But Cam was not. Very methodical, looked into opportunities very thoroughly. Stubborn. Big ego. Thinks a certain way and so should everyone else. Very arrogant. Well-organized. Brought out his notes from a meeting six months ago and asked what had been done since. The lack of detail drove him nuts. I don't know, maybe it's a phase. You know, growth, passion, followed by a period of reorganization ad nauseum, then a new growth phase. But the only way growth will happen is if there is a hostile takeover; it's not these guys who will create new opportunities.

Mike was replaced by Brien, a technocrat.

The United States

The acquisition that had, in one coup, doubled U.S. assets had also doubled Rowan's headaches. Head office had to be moved into larger quarters. Sales teams' pre-merger compensation packages were completely different. Accounting systems were not up to handling the extra load. "Things got lost". Computer systems were incompatible and too small. There was no "control", or at least seemed not to be. Profits were adequate but below expectations. Costs climbed. So-called "synergies", post-merger elimination of duplication, took their jolly good time materializing. In short, a mess. Rowan was a craftsman. He believed these things would take time but would eventually sort themselves out. He didn't feel he could push the system any harder than it was already being pushed. That could create worse problems -- discontented salesmen, diminished production, morale problems. These things simply take time. It's unrealistic to think otherwise.

Rowan:

I don't know why it happened. Profits were on budget; bonuses were paid. I guess they just wanted more. The spotlight began to shine on us when things started to go badly over there. I guess they needed us to compensate for it. They wanted everything faster and more but there was no time. They didn't really understand our situation over here. Too distant from the coalface to understand how the business works. Gave them exaggerated expectations. In person, everything was "sweetness and light". I suppose they're honest but they're certainly not straightforward. Now the whole group is like an individual with a frontal

lobotomy. No memory. They've sacked anyone who knows anything about the business. They don't respect experience. They hire based on "type" and type is somebody who will do the work without raising any objections, any implied criticism. They have a clear view of management style and anything else is aberrant. Nobody who wants to make a mark will ever succeed with them. Their strategy was very murky. They seemed only to be fascinated by tinkering with the thing -- structures, systems. Now they've used up all the goodies, the organization is really anorexic. They seemed to think that you could grow and expand and not have an impact on the bottom line. But any school boy knows better. They're like the little old lady who says "I want capital gains and income". Totally unrealistic.

Here we hear, again, the craftsman's bewilderment. How could they think that the system of people could be pushed any harder? He who values straightforwardness, honesty, realism, finds the technocrat unreasonable, unrealistic, even childish, in his managerial theories and, with a child's dogmatism.

Judd:

He simply was not a manager. he was over his head. He was an advisor. He was volatile, unpredictable, imaginative, visionary. A nice guy, very amiable. The kind of guy you might seek ideas from but not the guy to run something. Didn't know how to work.

Judd gives us a very typical technocratic response. To him, Rowan was a very likeable guy. He had nothing personal against him. There is no affect involved here, it's simply a matter of judgement and being realistic. He couldn't do the job; he had to go. Nothing personal. No hard feelings. We note, as well, his suggestion that Rowan was not a hard-worker, a suggestion contradicted by others closer to the scene.

Judd's expectations are that a managing director gives one hundred percent of his time to work. Leisure is a luxury.

A Board member on Rowan:

He was very well-mannered and considerate. He fired people but did it nicely. He was hard-working and very dedicated. Very open-minded. Sometimes ahead of his time. I don't know what they wanted.

Rowan was replaced by a technocrat, Peter.

The U.K.

The profit and loss statements of Canada and the U.S., were consolidated directly into Cobb's statements. The stock market crash of 1987 was having important negative impacts on earnings even though the losses could be amortized over several years. Earnings were depressed. Cobb's handling of the U.S. and Canadian situations, or what was more the prevailing view, his failure to handle them, confirmed opinions about his "managerial capacity". It had, of course, not helped that he was less-than-enthusiastic about "harmonizing" the information technologies or marketing, or "synergies". And, it had not helped that he was the only other serious contender for the top spot. It was decided that he needed "help", a "professional" man under him. This "pro" was to have a seat on his board, become the managing director and Cobb was to be "kicked upstairs", where "his talents could be put to better use". He had seen this pattern before. He knew very well what it meant. Ross, another technocrat, was to take over.

A Board member

As soon as Judd won, Cobb lost heart. It was of course compounded by the arrival of Ross and his perpetual past run-ins with Cam, but basically the die was cast. He had to go. There was no way to stop the momentum. There was no way he could get along with them.

His board didn't like it -- there was a minor and futile revolt -- but, as another board member put it, "What the shareholder wants, the shareholder gets". Judd and his man Ross, a technocrat, were in; Cobb was out.

In general, the technocrats liked, or so they say, Cobb. They call him "brilliant", "humane", "imaginative", "dedicated", helpful", in short, all the artistic and craft features that make up his personality. He just couldn't do the job.

A technocrat:

He was star-trecky. He produced a hundred new ideas but only one of them would be useful. It's terribly inefficient and ineffective. The people underneath get frustrated. It's awe-inspiring but eventually demotivating. Our world cannot do without them but our organizations can.

Another technocrat echoed these sentiments about artists:

We had to protect the organization from him. He drove people crazy with his ideas. No one knew what he should be working on at any one time. Everyone was running around in all directions.

A craftsman:

It's simple. They say, "I found the mistake and I fired the son-of-a-bitch".

A second craftsman identifies the nature of the "mistake":

He was the visionary, spent his time on acquisitions and foreign operations and wrongly trusted his staff to run the show at home. But, he never implemented the head office system that would have allowed the decentralized management of the subsidiaries. So, the wheels started falling off all the carts.

Cobb:

It was all about strategy. What is strategy anyway? Grand Plan? No. You try to instill a vision you have and get people to buy in. The strategy comes from astrology, quirks, dreams, love affairs, science fiction, perception of society, some madness probably, ability to guess. It's clear but fluid. Action brings precision. Very vague but becomes clear in the act of transformation. Creation is the storm. They always built things around "barring unforeseen circumstances" but that doesn't leave room for the unforeseen. It implies you know the future. It's a straightjacket, narrow walls. The unforeseen is not supposed to exist but you have unforeseen government policy, economic change, fraud, loss of key people, technological change. These people live outside of reality. You should never allow the plumber to be the engineer because he'll run the pipes across the top of your machines because it will be easier and cheaper to repair later. Of course, in the meantime, people can't work.

Around the same time, two craftsmen, Rodney and Robert, also lost their jobs. The technocrats argued that "they just couldn't do the job." "He didn't evolve with the times." "He was too old-fashioned". "He wasn't tough enough". "He was boring." "He has no personality." They were replaced by David, a technocrat, and George, a craftsman. The latter was to find himself exceedingly uncomfortable in the days to come.

The Craftsmen:

They just don't understand that people are the organization's most important asset. And, the institution was important. People like to feel that they're part of something important, have a sense of belonging, pride. To them, the institution is just a tool. You know, they got rid of [another VP] too and why? Because he spoke his mind. I'd pay anything to have a guy like him around. He keeps you honest. He didn't agree with you all the time. I don't know what makes them [the technocrats] tick. I can't get a grip on them. Why can't they see it, they're brilliant? I guess if, even with their brilliance they can rationalize it all away, we all rationalize.

They were so impatient. They didn't realize that it takes time to weld a team together and to solve human problems. They're not machines you can just turn on and off.

Their kind strip the essence out of organizations, empty them of their sense. I think it's a product of the engineers and MBAs of the 80's, the technocratic mentality. But, everywhere it's proved a failure. People are beginning to see it.

During this period, the tenor of annual reports changed as well. The preoccupation with "reorganization", "rationalization", "consolidation" "structures" and "profit" was intensified:

We are proceeding with the reinforcement of our management teams, with the rebalancing of our activities, and an intense effort of rationalization of our operations. We are also proceeding with a revision of our operating structures in order to promote the achievement of our objectives and improve our performance.

The next year, the same themes are played:

The progress observed in our results is the fruit of several changes; the reinforcement of our management teams, the rationalization of operations and the concentration of activities.

A New Man at the Helm

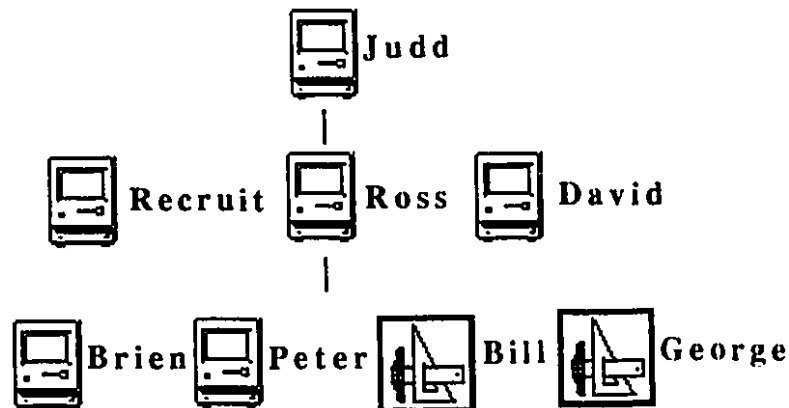
By the end of the period, Cam had vacated the Chair in favour of Judd and over the objections of significant minority shareholders on his board.

A Board Member:

We tried everything we could to stop it but he wouldn't listen. He's stubborn. He just didn't want to hear and, short of a war, there was nothing to be done. Besides, there was no longer any other potential candidate inside. We'll just have to wait. Eventually they'll make a mistake. Things will continue to go badly and we'll be there to pick up the pieces.

With the number two man's elevation, the organization looked like Figure 7.4. The artists, Mike and Cobb, and the craftsmen, Rowan, Rodney, and Robert, were gone. Two other craftsmen, George and Bill, were demoted, a third, Jeb, knew he was next. In fact, in the closing days of the study, Jeb was "kicked upstairs" and on his way out. He was to be lent "assistance" by a new recruit --- to all appearances, another technocrat. In the end, only technocrats had any power or influence.

Figure 7.4: 1990



Strategy

A report to public investors concluded:

Mirroring a world-wide trend among large financial groups, we initiated in 1989 and continued in 1990 an extensive program under which operations were regrouped, assets sold and activities rationalized. As a result, we now operate in two sectors: insurance and banking... New Chief executives have been appointed and our strategy is profitability.

"Our strategy is profitability"; many felt this formulation was a contradiction in terms. Asked what the current strategy was, one craftsman replied, "I honestly don't know". A technocrat said, "I wish I knew. They seem to concentrate on short-term profits. I guess that is a strategy. There's a meeting coming up. Maybe then I'll know more". He didn't. Another, closer to the centre and part of the "action", adds "Eventually? Alliances. Everybody knows you have to create alliances. In the meantime, we've had to create profit."

A Craftsman:

They don't know. Billions have been spent on strategic planning but that's not the issue. It's strategic thinking. The plan comes later. It fits into the "profile" of what you want to be when you grow up. James and Cobb had the "profile", the vision. Strategic planning is the death knell of strategic thinking. Once it's on paper, the job's done! Even if they had a vision, how would they get it done? There's no managerial continuity. At this year's planning meeting, there were four out of fourteen people left over from 1988. Every two years there's a new Chief executive. There's no opportunity to fail, so there's no continuity. They focus directly on profit but they'll never get it because profit comes from the vision and the people and they won't invest in people. If you look after the people, the profit follows. You can't drive at it directly. Twelve and a half percent ROI is a joke; we'll be dead by 1995. They refuse to see this. You can't correct a problem unless you see it exists. It's like me. I look in the mirror and I see a young fullback, not a balding, middle-aged man, with his chest on his belly. You have to see reality to change it.

The New "Team"

The Technocrats view each other:

He's a lightweight. They all are. Amateurs.

People are too hard on him. He's not a lightweight. It's true he's not brilliant but he's put order into the shop.

He's an ass.

They're rigorous and disciplined.

The Craftsmen view the Technocrats

They don't know what they're doing. X is a total jerk. Y is so arrogant it's painful but at least he knows what he's doing.

Judd's a visionary in the sense that he has a logical plan. X is brilliant and if he can mature and learn about people he might someday be great.

The Technocrats view the Craftsmen

They're incompetent.

We have to put some talent in there. He's just not strong enough.

I have a feeling he's over his head. Not really up to general management. Really a second-level kind of guy.

He's beginning to shape up but I'm not sure he has it in him.

There are no artists left to comment.

Technocrats on Previous Eras

They imagined that they could be revolutionary and create a whole new way of doing business, "synergy". They were dreaming. You have to be good at the basics. Just look after business. There was no cost control. Flying all over the place in airplanes. Totalling inefficient.

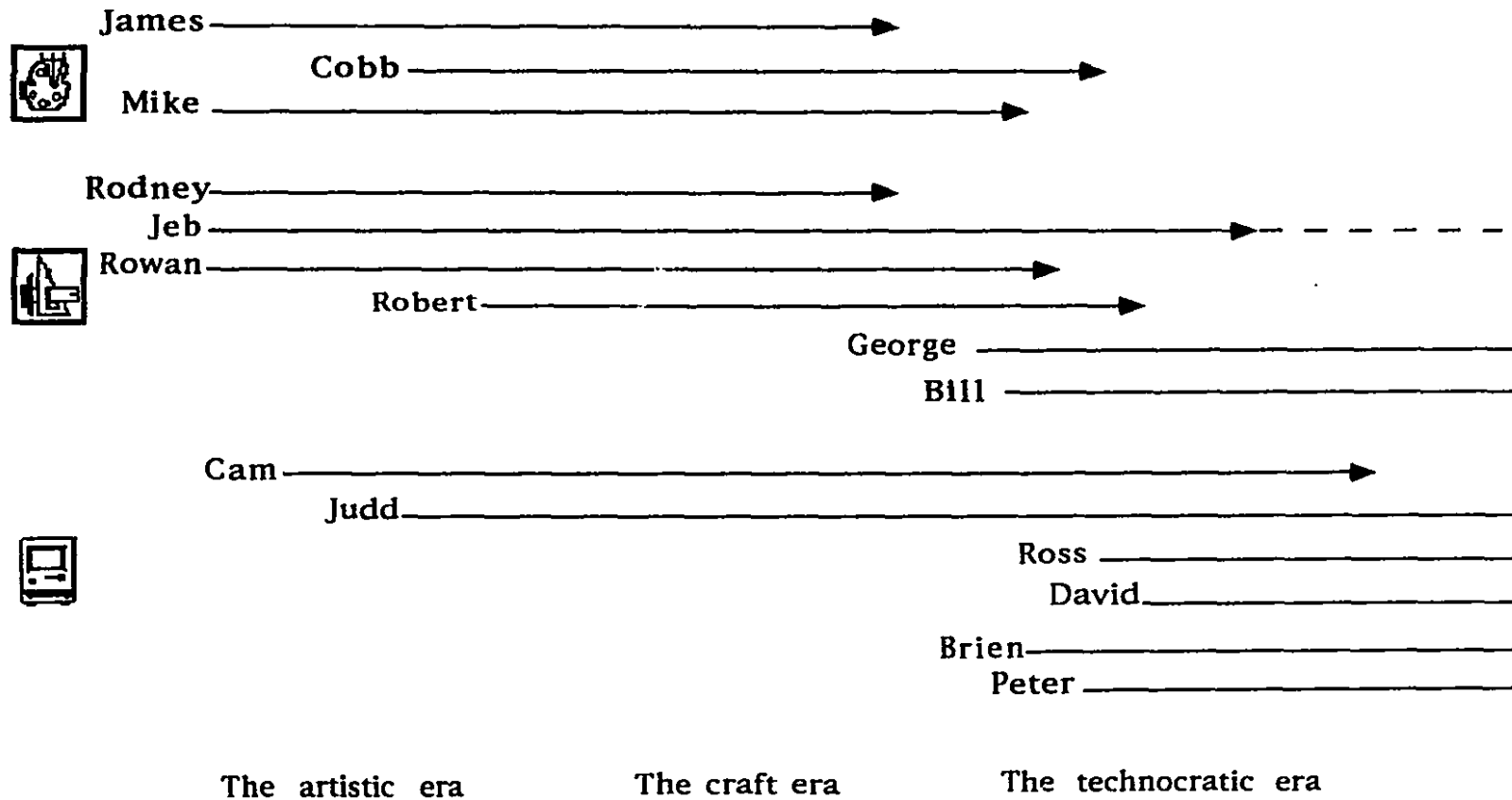
In James' day it was easy. Things moved slowly and you could afford to make mistakes. Now, when you make a mistake you know it instantly and the consequences are much bigger. You just can't take those risks now.

James, Cobb, Rowan, they were all dreamers not entrepreneurs, not builders. They're what I call "advisors". Now we have builders. They're conservative of course but if you're not conservative you'll lose everything. James was always talking in metaphors. It took a professional like Cam to put some order into things.

Summary

Figure 7.5 displays the evolution of the group from 1975 to 1990. In the beginning, the artist James is in full control. With the craftsman's ability to make fast friends of the Irish, and with the able assistance of an "artistic" solicitor who knew how, legally, to get around certain regulatory encumbrances, he acquired an impressive array of companies. Always open to new information, he sends lieutenants to scour the world for ideas on how to develop and manage them. Starting from an undercapitalized, single-industry, regional

Figure 7.5: Summary, the eras



firm, he had, by 1980, catapulted his group onto the International stage and thoroughly broke with the industry recipes of his day. Not only did he not confine his activity to one branch of financial services, but also he broke entirely out of the bounds of financial services itself, as then defined. He bought into communications companies, convinced that, one day, financial services would be sold over the "waves"; "They [Cam and Judd] accused me of diversifying but I wasn't diversifying; these things were all related they just didn't know it." Of woolen mills and other "bits and pieces", he simply states, "I wasn't interested in all that stuff; I wanted the underlying assets. That other stuff was all sold at a profit."

Of course, the empire was then too big for one man to run and he recruited able men to direct the main subsidiaries: two craftsmen acquired at the time of acquisition of their companies, Jeb and Rodney, and one technocrat, Cam, hired from outside. Cam inherited Mike and Rowan, an artist and a craftsman, at the time of the major London acquisition that brought the company unto the world scene and made it an international player.

James, conscious of the need to provide for succession, elevated Cam to the position of managing director. "He seemed like the right man for the job. The board knew him and trusted him; he knew the business; he was the logical choice." Together, they recruit three new men: Cobb, the artist to replace Cam, Judd, the technocrat to supervise the sector previously directed by James and Robert, a craftsman, to run the newly-consolidated banking division. The veteran craftsmen,

Rodney and Jeb, now find themselves reporting to Cam. From the beginning, they will find him "brilliant", "stubborn", "uncompromising" and "difficult" and will say so. The new players continue in the effervescent growth pattern laid down by James. It is the flowering of the artistic era.

Managerially, the subsidiaries are left pretty much on their own. Both James and Cam sit on the underlying boards and ask pointed questions but they do not "interfere". The small group Board of Governors, consisting of only five insiders and four "outsiders", meets regularly to discuss acquisitions and divestitures and capital-raising possibilities. By now, all the "unrelated" "bits and pieces" acquired by James have been divested and the group solidifies, by acquisition, its presence in all sub-sectors of financial services. We are now entering the era where, world-wide, "the collapse of the four pillars" is on everyone's lips and, lead by Cam, the recipe is followed to the letter.

For two or three years, the group functions as a team --- the short-lived craft era. More emphasis is placed on bringing skills and industry knowledge to bear on the still-disparate pieces of the empire.

Judd (at the time):

We all respect each other's expertise. We don't interfere with each other. Collectively we work very well together. Oh sure, we sometimes disagree about how to do things but there are no serious conflicts. We're very cohesive, all professionals.

Seeing his creation working so well gave James confidence that it was in very good hands. In his mind, its entrepreneurial character was indelibly stamped on the minds of the new generation. He resigns as Chairman, gives over the formal reins of power to Cam.

James stays on the Board, and on the boards of the 'subsidiaries, but his influence is increasingly diluted. With the "collapse of the four pillars", regulatory authorities in the U.K., indeed everywhere in the world, are increasingly agitated and active. They start to require that boards be composed of a majority of outsiders and, where they don't "require" it, it is judged that they soon will and the group moves in anticipation. The main Board of Governors is gradually increased from nine to sixteen. Its membership is formed by Cam. At the time of the agreement with the London retailer, two places must be ceded on the main Board; two insiders must go. By 1987, only Cam, Judd and Cobb sit on the main board as officers. In part simply because of sheer size, board meetings take on a more formal character. Discussions of acquisitions, divestitures, strategy, give way to quarterly financial statements, yearly budgets and profit forecasts. No longer composed of industry professionals, it can't be expected to guide strategy. It performs a "policing" role.

The golden era of teamwork lasts approximately two years. With the disappearance of James, Cam solidifies his power and we enter the technocratic era where formal hierarchical position begins to carry much more weight. The new buzzword is "synergy" and it became the "strategy". Having acquired a presence in all sectors, it

was time to turn it to advantage. Synergy became the justification for centralizing certain functions: marketing, finance, information technology, planning. Designed both to cut costs -- eliminate duplication across subsidiaries -- and to promote cohesion and expanded markets, it was spearheaded from the centre and resisted, more or less violently, in the subsidiaries.

Rob:

Judd used to quote Drucker to us, saying that you could have centralization or decentralization but nothing in between. So, he said he was in favour of decentralization. But, of course, he was doing exactly what Drucker said you couldn't do. He was riding both horses; mouthing decentralization but promoting centralization. We all knew it. I first started getting in trouble over technology and it was all downhill from then.

With mounting frustrations within the management group, increasingly called on by regulatory issues and conscious of the need to provide for succession, Cam feels the need to appoint a second-in-command. His choice comes down to Cobb, who runs by far the largest sector, or Judd, with whom he is more compatible.

A Board Member:

I went to him at the time because I felt sure he was going to choose Judd. I was not necessarily in favour of Cobb; I wasn't sure that he was sober enough. But, at the worst, we should recruit outside. I didn't trust Judd; he always seemed to say the right thing at the right time and that made me very uneasy. I didn't think he had the intelligence or the depth to run an organization of this size and complexity. Cam was very defensive, even angry. He said

that Judd was brilliant, that he had turned around his sector, and that was that. I was ushered out of his office.

Judd is of course chosen, but with the proviso that he will have two years to "prove himself", prove he is capable of the top spot. The Irish and the retailers nervously acquiesce. The rest of the Board follows suit.

With this move, we witness the intensification of technocratic control. Two technocrats are firmly in charge. And, as luck or fate would have it, the subsidiaries simultaneously have profit problems: Mike because of an acquisition that went sour, Rowan because his merger was taking too long, Cobb because of the stock market crash. Rob was producing decent profits but "well below potential", in the words of Cam. In a two-step manoeuvre, a "professional" was first installed under Mike, Rowan and Cobb to lend "administrative strength". Seeing the handwriting on the wall, Mike and Cobb resign. Both are replaced by technocrats, Brien and Ross. Humiliated, Rowan waits to be fired. He is replaced by a technocrat, Peter. Rob is told there are important head-office functions for him to perform and he is "relieved of duty" on the line. One year later, he is gone, replaced by a technocrat, David. Jeb is sidelined, excluded from key meetings, and will eventually be "kicked upstairs". The craftsmen, Bill and George, are demoted as their sectors are consolidated under Cobb's replacement, Ross -- a technocrat.

As the study period closes, Cam is still on the boards and is regularly consulted. James, is no longer on any of the boards having resigned in frustration and disappointment. Rodney is embittered. Rob is happy and has "landed on his feet". Cobb is furious. Mike is angry. Bill awaits his chance to get out. Jeb is "out of commission". George knows his days are numbered. The organization is now very monolithic. Everyone in a position of power is a technocrat. All the artists are gone. The craftsmen who remain are insignificant.

But, all is not as rosy for the technocrats as might appear at first glance. While they admire previously powerful technocrats, calling them entrepreneurial and intuitive, this is not so for their current colleagues. As we can see in some of the comments that they make about each other, the technocrats have a certain disdain for one another. They are not sure the other guy is as "professional" or as "competent" as he should be. This is especially the case for the two most powerful rivals for the top spot. Both of them are, in the language of chapter four, T/A's. They are positioned in correspondence analysis at due North, radically non-craft, but approaching the artists in their "emotional" reaction to people and events. They and Peter need to be "watched and controlled"; they can "fly off in all directions". Overt expressions of emotion, whether it be joy, anger or aggression, are frowned upon. Quarterly profit is the goddess everyone pursues and woe to him who cannot produce fifteen percent ROI for that is the "strategy" and it is on that that each is judged. It is far from being attained. It remains a very open question who will succeed Judd. In any case, Judd is in no hurry to leave.

What does this fifteen-year story tell us about strategy-making? Strategy certainly changed, and radically so, during the period. In the beginning, it was vague. It consisted of "breaking out": out of Scotland, out of general insurance, out of small scale, out of obscurity, even out of financial services as it was then understood. Gradually, it became more focussed, tighter, confined, controlled, precise. The strategy became "participate in all subsections of financial services" and only that. Did this necessarily carry with it the further move to "synergy". Was it ineluctable? Was synergy a logical necessity or was it an excuse, a rationalization of other motivations. Was there something about the times, or the men, or the initial vision, that caused a further strategic movement away from synergy and toward "profit"? Was all this to be predicted because firms always do and always must go through "cycles" of growth and profits, growth and profits, and the temperament of the managers must change accordingly? Is there always and inevitably an artistic era, a craft era, a technocratic era? Is this just "normal", "natural", "appropriate", "desirable"? What are the implications of the strategy and the monolithic "personality" for the future of the organization? Are there lessons to be learned about people, strategy and the way the two interact? What light can our study shed on prevailing ways of looking at strategy formation? Does it largely reinforce the previous literature, contradict it, supplement it? These are the many questions to which Chapter eight, Conclusions, is devoted.

Chapter Eight: Conclusions

Before we move into this concluding chapter, let us visit the summary highlights of the preceding chapters. Table 8.1 presents those highlights. It culls, from among the many quotations, those which seem to be most revealing from the point of view of the objectives of the research. The words of the ideal types are organized by key subject -- strategy, strategic planning, the role of the chief executive, organizational "slack", the "others", and people. Capsule comments are meant to serve an interpretive role; to show what the researcher feels to be the "meaning" and the "import" of the statements.

The table is designed to throw into relief, at a glance and with a key word or phrase, a whole world of meaning. It reveals the *Weltanschauung*, the world view, of the ideal types. Moving through various subjects, it shows us how radically disparate are those world views. It points toward the nature of the, inevitable, conflicts that invariably and even predictably arise between the three types. While this study was conceived originally as an enquiry into the relation between character and strategy, it broadened as it proceeded. Thus, in the table, we find comments that have implications, not just for strategy making, but also for organization in its broadest sense. We see that, depending on what kind of character is in power, the whole organization will be pervaded by a very different tune: a concerto, a waltz, a dirge.

Figure 8.1: Highlights			
Subject	Artist	Craftsman	Technocrat
Strategy	"It's made of dreams, quirks, love affairs" - strategy formation is a very fluid, even arational process	"If you look after the people, the profit follows." - strategy evolves with the knowledge and skill of the whole team	"Our strategy is profitability" - strategy is something clear, concrete, final, subject to norms of control
Strategic Planning	"An excuse not to work. It just goes into the shredder anyway" - strategic planning is a waste of precious time. It simply summarizes the past and cannot take account of the future	"Billions have been spent on strategic planning. That's not the issue, it's strategic thinking" - the craftsman is impatient with theoretical exercises. The only virtue he sees in planning sessions is to energize people	"Mirroring a world-wide trend", "the market is irreversibly committed" - strategic planning consists of monitoring the competition and mimicking industry recipes
Role of the CEO	"One who knows where he's going and has the ability to get others to help him get there" - the CEO is primarily responsible for the vision creation and for the morale and commitment of staff	"To energize, to mobilize to 'walk the talk' " - the key task is to elicit the talent of staff and to be a role model as master to apprentice	- "to 'sift' the ideas that come from somewhere or someone else" - his job is to pick the best ideas floating around and to <i>implant</i> them. He's a "pro" not a dreamer

On "Slack"	"They've [T's] picked all the fruit from the tree to boost short-term profits" - slack is the "golden egg" or the "nest egg" that allows the pursuit of new adventures. It is the <i>fruit</i> of past success	" You use it to develop your people" - slack symbolizes the well-oiled machine, a machine that produces surpluses to be reinvested in people	"It's just a sign of the inefficiency of the system" - slack is synonymous with "fat". Running a tight ship is a sign of professionalism
The "others"	"You need all types but you 'shouldn't let the plumber be the engineer'" - he appreciates the value of all types but worries about putting a technocrat at the top	"You need someone to "dream the dream" and someone to bring it to fruition. You can't afford technocrats but they make good consultants" - he thinks the artist should probably run the show, ably seconded by himself. He sees the utility of technocrats in supporting roles	"Today you need 'pros'. You can't afford dreamers but they make good consultants." - the world is now too complex for 'dreamers' and craftsmen are too 'old-fashioned'. Org's should be run by young, trained professionals

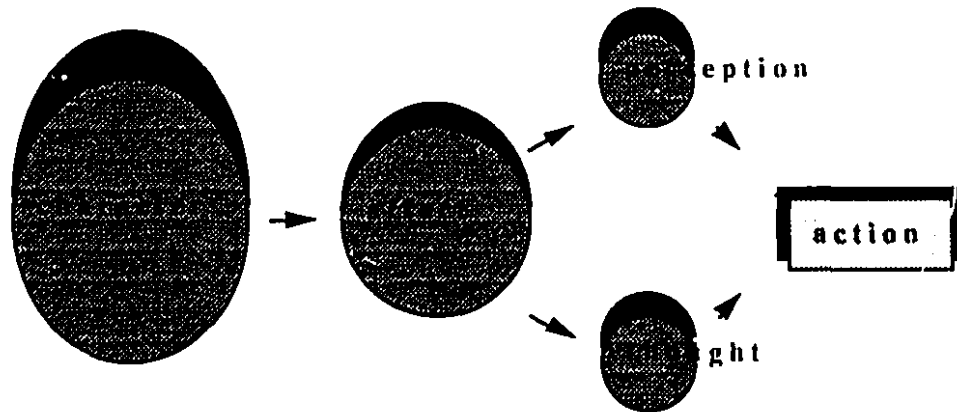
Conclusions from the study may be drawn on many levels. The work proceeded on the theoretical assumption that character drives affect which, in turn, drives perception, thought and action and, although it was not its goal, the study does speak to this assumption. Secondly, eschewing a purely phenomenological approach, it sought to discover order, ideal types, in the seemingly infinite variety of characters it encountered. Having established a certain order, it sought to trace the influence of each character type on the way in which individuals perceived their world, what they "felt" about it, what they therefore "did" about it. There are conclusions to be drawn about the consequent "action", in this case "strategy" and organization. In drawing these conclusions, we will be lead, inevitably, to draw certain conclusions both about the existing literature on strategy formation and about the direction of future research. We will take each level in turn.

Character to Affect to Action

If, as is so often supposed, action springs from perception then why isn't it a relatively simple matter to "show" people a different way of looking at the world? Studies reveal, on the contrary, that perception is highly resistant to change and that the cognitive structure -- thoughts -- which flow from that perception are equally resistant. If, on the other hand, we see that perception is fuelled by powerful affect, strong emotions, then we can begin to understand the resistance. Affect is embedded in a character structure that was built around the need to "see" in a certain way and consequently to

“think” in a certain way; built around a defensive structure that kept the individual intact and functioning. He gives up this structure at his peril. This is depicted diagrammatically in Figure 8.1.

Figure 8.1: The source of action



Let us examine what light our study casts upon this question.

The Artist

Action

The action, the strategy, of our artist is formed intuitively, formed as one said, out of “dreams, horoscope, madness”. It is formed on the run, in a hurry, opportunistically. There is a “vision” but it is “fluid”, “action brings precision”. It “becomes clear in the act of transformation”. The vision is fixed firmly on the future; the

strategy is directed to growth -- fast growth, exciting growth, unexpected growth. In general, he disdains "strategic planning".

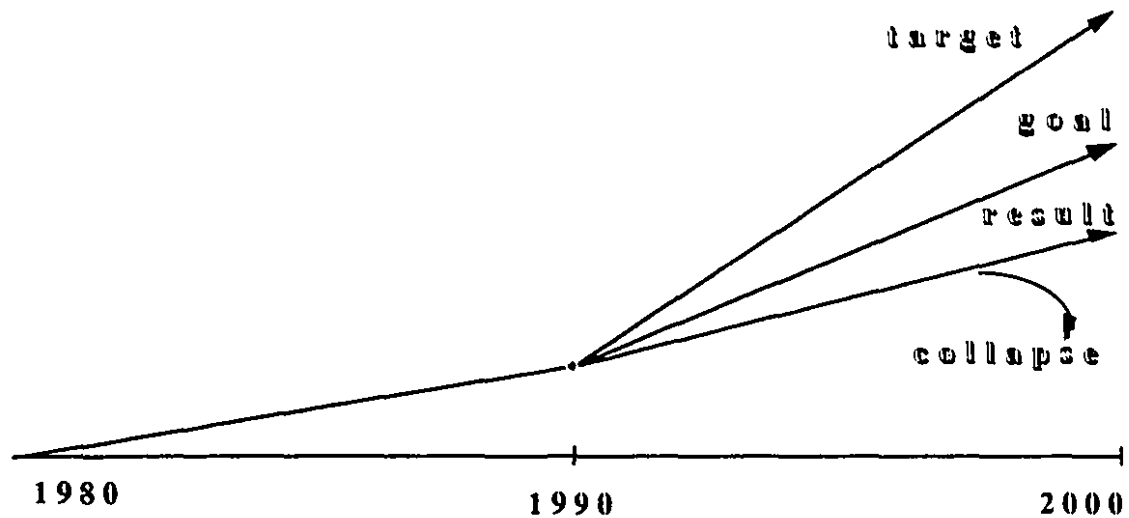
Perception

The artist is comfortable with the unforeseen; "Even though we may feel a certain vertigo in front of the dangers, we can also taste -- even exalt in -- the joys of knowing, creating, living". He sees the future full of dangers but also full of promise; he believes in his capacity to influence it. He is fundamentally optimistic.

Thought

"You have to grow because the world never lives up to your expectations. You can't predict it". He illustrates this thought with a graph, Figure 8.2. "You have a goal for the year 2000. You have to shoot at a target much higher than the goal in order ever to come close because the world is always changing -- competition, obsolescence, government, deaths. So, you acquire, you do R&D, you look for new markets. If you drive right at the goal, you will fall short and get the result. The cost-cutters think they're driving at the goal but all the while they've got their heads down looking at the books, the whole world changes around them and the whole thing can collapse. At 1990, the two approaches may look the same but, by the year 2000, it looks different".

Figure 8.2: An artist's thought



This is how he explains what, to others, seems an insatiable, ill-considered, foolhardy, appetite for growth.

Affect

"Plays hard, drives hard, dreams big, falls far" is how they are often described. They inspire because they are excited and excitable. They like people. They are "funny". In private, and sometimes in public, they are "down", depressed. "Every time I felt it closing in on me I bought something". So, the thought "acquisition" is powered by the affect "I must" and facilitated by the optimism born of the perception of a world, on the one hand, of unlimited opportunities, and on the other, of clear dangers -- competition, obsolescence, deaths.

Character

We are, of course, describing the cycloid temperament or character. A character whose vision of the world is not one of conventional gestalts; in fact, conventional views drive him crazy. He has to break with them. They represent a straightjacket. Industry recipes, strategic plans, are both straightjackets.

The Technocrat

Action

The strategy, the action, of our technocrats is directed toward, not the future, but to the here and now. "It's all very well to have grand dreams but we have a business to run." And, it's shaped by conforming to conventional wisdom. In our case, the technocratic strategy was first "synergy" -- when it became the preferred approach world-wide -- and second "sticking to your knitting", when it came into vogue; thus the retreat back into two sectors and back into the U.K.. More recently, the shibboleths "total quality" and "strategic alliances" take centre stage. Industry recipes.

Thought and perception

"We won't be able to raise capital if we don't show a better earnings record. The street doesn't believe we can produce the earnings. That's why the stock is depressed. We've got to get the

stock price up. Besides, internal cash-flow is your best source of capital. We'll grow. Later. How? Strategic alliances. That's the wave of the future. Everybody knows it. We can't do it on our own. The world is too big." And, it's dangerous.

Affect

If the world is dangerous and threatening, it is a world in which you cannot afford to make mistakes. You must try to control everything and/or only place yourself in situations which can be controlled. You try at all costs to impose order on impinging chaos as if your very life depended on it. People who create disorder, or "sloppy" order, are dangerous. They make mistakes for which you must pay. They have to go. Normally controlled and serious -- "I laugh as much as the next guy, at home" -- faced with opposition, you become intransigent. You have to. There is too much at stake. This is the affect which fuels and powers the thirst for "analysis", analysis which promises to tame the world, to reduce it to manageable proportions.

Character

This is the obsessive-compulsive character trait --- "conscientiousness, the concentration on the smallest things" (Klein,1940:155), where the "surface [conscious] faculties react with defensive rigidity" (Ehrenzweig,1967:35), to the threat of what "might happen if one let go one's mental hold on the outline which

kept everything *separate and in its place*" (Milner, 1987:8) His own emotions normally under rigid control, he misses the "tone" of social situations. He lacks insight and thus imagines, all evidence to the contrary, that people like, admire and respect him and approve wholeheartedly of his methods. After all, the "facts" speak for themselves. There was only one "logical" choice. This is intellectualization, and the isolation of affect from thought.

The Craftsman

Action

The craftsman does not have a "strategy" understood as "plan". He lives in an emergent world where what matters is what one knows how *to do*, not what one *thinks*. He has always "stuck to his knitting" as a matter of course; for him, this is not some new theoretical idea to which he must suddenly subscribe. He has spent his whole life doing it and that *is* his strategy. That, and people. "If you look after the people, the vision and the profits follow". As everyone acquires a solid working knowledge of his/her area of responsibility, the organization will move forward, step-by-step.

Perception and Thought

The world is made up of people who know what they're doing and people who imagine that they know. *They* had "exaggerated expectations"; *they* seemed to be fascinated by tinkering with the

thing -- structures, systems"; *they're* "totally unrealistic". They see their world and people as complex; it therefore takes time to make changes. People cannot be pushed any "harder" or any "faster" than humanly manageable. *They* were "too distant from the coalface".

Affect

"Good guys" is how they are most frequently characterized. They are, on the whole, amiable, easy-going. Faced with an artist, but one who *knows* the business, they take pleasure, although they do think he has to be regularly brought back down to earth. Faced with the technocrat, on the other hand, they become stubborn, intransigent. "I'm trying to turn myself into a robot to get along with them, but I don't always succeed". They are straightforward to a fault; "I told him he would make a great consultant because he's brilliant, but as an operator he was a 'wash-out'". He was talking to his technocratic boss. Small wonder he was fired.

Character

He has no evident disequilibria. He is a person largely at peace with himself. Table 8.2 summarizes the differences between the three types.

Table 8.2: Character to Action, the Ideal Types						
Character	Affect	Perception	Thought	Action	Strategy	
					Process	Content
Artist	cycloid, optimistic	diffuse	eclectic	sporadic, leap-by-leap	intuitive, singular	growth by acquiring
Craftsman	calm, measured optimism	at the "coalface"	organized	step-by-step	emergent, collective knowledge	internally-generated growth
Technocrat	controlled, pessimism	focussed	rigid	methodical inch-by-inch	experts' plan	profits, "industry recipes"

Implications: A Dialogue of the Deaf

On the whole, these people believe that the reason that they do not get along is because they have different "ideas", because they "think" differently. When the technocrat urges strenuous efforts to produce short-term earnings in order to boost the stock price, the artist simply thinks he's stupid. "Any fool knows that the market moves on psychology, on the psychology of growth, faith in the future", he replies. The craftsman, for his part, thinks they're both "wrong". "The "street" has no faith in management; there's no continuity; no experience in head office; a bunch of amateurs" is his explanation for a stock trading, in 1990, at close to one half of book value. "No earnings", "no experience", "no dreams" -- a dialogue of the deaf. Each will pursue a very different strategy because of these "thoughts": the artist, an intuitively-generated growth strategy; the craftsman, an emergent, take-it-as-it-comes, strategy, relying on his intimate knowledge of the business and his day-to-day contacts in the industry and; the technocrat, a strategy, really a plan, consisting of return on investment targets. Each will think the other a fool.

Each will be frustrated by the other's working style. The artist will proceed sporadically, from leap to leap, the craftsman, step-by-step, the technocrat, inch-by-inch. At the level of "thought", the technocrat sees the artist as disorganized, bizarre, "star-trekky". The craftsman thinks the technocrat is "unrealistic" and rigidly wedded to theoretical notions that have nothing to do with the real world. And, temperamentally, they have nothing in common; one is "up and down", another calm and another, controlled.

These conflicts around ideas mask deeper conflicts at the level of character. They are so utterly different in character that their perceptions, their judgements, their thoughts, flowing as they do from deep-seated character needs, cannot but be in conflict. This has nothing to do with "intelligence", although they think one another fools.

Succession, Conflict and Power

Until 1985, the "dominant coalition" contained a balanced mix of character types. In 1985, for example, we found, two artists, two craftsmen and two technocrats. The balance shifts, decisively, with James' resignation. At the time, Jim had intimations that the choice was "wrong" but the decision had a momentum of its own. He tried to persuade himself that the "entrepreneurial character of "his" organization" was too deeply engrained to be eroded. But, he had chosen his opposite and that man would, with Jim's departure, be able to give full rein to his own character. His successor would

gradually move the whole organization in the direction of that character. Beginning as a conflict around "ideas"-- the "efficiency" of centralizing certain functions like marketing, finance and systems -- no one really understood that it was a conflict around character. The closest they could come to understanding it or to explaining it was with concepts of power. "It's just a power-play"; we fight fire with fire; we resist."

If Jim's departure was a decisive moment, Judd's arrival in the number two spot was equally so. If Cam had done as Jim had done -- chosen his opposite to succeed him -- the balance would have been restored. Instead, he chose, what others call, "his clone". Thus was the die cast. There was no turning back. A power structure weighted too heavily toward the technocrat was destined to drive out everyone else. As fate would have it, markets provided the technocrats with the pretext they required: a soured acquisition, a merger that took too long to merge, a stock market crash, world-wide calamitous storms.

Success and profit had hitherto insulated the craftsmen and the artists from the technocratic assault. We have followed only the most prominent of them, three demoted or sidelined, and five, fired. But, there were many others at the third level of the power structure who saw the handwriting on the wall and jumped ship. Others were fired or humiliated by demotions and driven to resign. It is, of course, always true that the "new broom sweeps clean", that a new CEO feels the need to "weed out" sympathizers of the "ancien régime".

And, there were surely some among the departed who might be characterized as "dead wood". But, this was much more. The departures were systematic -- all craftsmen and artists.

That it would be systematic is to have been expected for this is the technocratic style. While an artist like Jim hires his opposite and a craftsman like Rod will say of an artist "I'd pay anything for a guy like that around; he keeps you honest", the technocrat cannot abide those who disagree with him. He cannot tolerate profound and serious dissent because it threatens the "order" by which he survives. The MMPI showed us that the technocratic character uses intellectualization to escape his emotions, often hostile emotions. Under pressure, for example, short-term profit declines which affect his reputation, "He will project blame unto others". Thus, as we heard one craftsman quote him, "I found the mistake and I fired the son-of-a-bitch". The man who had been fired was in a depression. The technocrat who fired him considered him a friend. This is denying his own aggression and hostility, denying the harm he has done, defending himself, as best he knows how, from the guilt that "knowing" might inspire in himself. In order to quell his aggressive instincts, he represses all emotions, and insight and empathy along with them. He feels no enmity toward his victims and, when they are gone, he tells himself that they are all fine. But, they are not.

Barring persistent and calamitous profit disappointments, the next succession will take the same form because a technocrat will always choose another technocrat. They have no respect for any

other style. Furthermore, there are only technocrats left from among whom one must choose. To be sure, there are two technocrats with some "artistic" leanings, and they are not "tainted" by any craft qualities. But, they are being watched. Those very artistic leanings which make them suggest departures from the well-trodden path, make them vulnerable to the worst charge of all, "emotional". Furthermore, the technocratic world is a fail-safe one. One mistake and you're out. Since humans have a nasty habit of making mistakes, it is hard to tell how long these two will last.

The Types: Strengths and Weaknesses

The Artist

The artist has many strengths. He is visionary, can often "see" what others do not. He is driven. He has the psychic and physical energy to drive his vision. He is exciting and inspirational. People want, on the whole, to collaborate with him. They don't want to "let him down"; probably, in part, because they sense his emotional fragility, his tendency to depression. His "strategy" is often unclear; "only the work itself, completed and understood, is proof that there was *something* rather than *nothing* to be said" (Merleau-Ponty in Sparshott, 1982:623). Because it is unclear, people follow on faith in the man.

His weaknesses are simply the flip side of his strengths. Because the strategy is unclear, he can confuse as much as enlighten

his staff. He is particularly vulnerable to enquiry from his board or his shareholders. He doesn't have all the answers they want or need. This is fine so long as no disappointments occur but, when they do, he has little ground on which to stand. Too busy with his dreams, he often ignores the administrative details necessary to running a large organization; as we heard one craftsman say, "the wheels started falling off all the carts". The system produces "surprises" -- usually unhappy ones -- which catch everyone off-guard.

The Craftsman

The craftsman's greatest strengths are his stability, his humility and his humanity. He provides a stable organizational environment in which people know what they are to do and know also that their efforts will be appreciated. Because they can afford to fail in such a system, people will take risks. They will innovate. But, he will not tolerate "prima donnas"; even the innovative individual will be forced to "submit to authority" and those without respect for tradition will be unhappy in his organization.

It is on this front, that he is most vulnerable. His long experience, his own respect for the past, can turn into inflexibility, a conventionalism that stifles innovation. He may resist both new ideas and new systems. On the other hand, an organization which doesn't know its past will be doomed to repeat its errors. As one of our Craftsmen lamented, " Now the whole group is like an individual with a frontal lobotomy".

The Technocrat

The technocrat is careful and assiduous. He knows the facts, the details. Little escapes his analytic strength; nothing "falls between the cracks". There are few nasty surprises when he is in charge. The powerful affect which drives his intense interest in systems, structures, procedures make him a formidable asset to any organization. They may have very successful careers(Lalonde and Grunberg, 1980:228):

Obsessional traits like tenacious, methodical, and meticulous are far from being handicaps in certain fields of endeavour. An obsessional personality may pursue a remarkable career. (Translated by the author)

That same affect, and the thoughts which flow from it, make him also a formidable foe. He sounds so wise, so knowledgeable, so in control, that the artists and craftsmen look like children beside him; naive, emotional children. He terrorizes his staff because he runs a fail-safe system which drives out innovation as surely as the conventionalism of the craftsman. Without the freedom to fail, you keep your head down and follow orders. Initiative is for someone else. "I'm trying to roboticize myself", says one craftsman.

The Literature: Styles and Strategy

The foregoing comments suggest that organizations will be badly served by any one ideal type having exclusive power. They

suggest that executive leadership requires all of the talents of the three types and that the presence of each offsets the potential weaknesses of each. This central conclusion contradicts trends in the strategy literature. There, researchers have adopted a "contingency" approach which suggests that certain "styles" of leadership are appropriate depending on: the age or size of the business (Mintzberg, 1973), upon its strategic goals, such as "explosive growth" or "turnaround" (Wissema, Van Der Pol, Messer, 1980), upon the environmental context (Khandwalla, 1976;), all of the preceding (Westley and Mintzberg, 1989), or upon the firms' diversification posture (Michel and Hambrick, 1992). While some of this earlier work measures some aspects of personality, none of it is based on character broadly conceived. Some other work is, however, based on character and does cut across contingencies to suggest that some men are good, or bad, "for all seasons". Let us see how our work differentiates itself from it.

Other Taxonomies built around Character

The Gamesman

The most elaborate and painstaking attempt to typologize character in a corporate context is that of Maccoby (1976). With the help of a team of researchers, Maccoby interviewed 250 managers in twelve major American corporations. He, or his team, interviewed family members and colleagues. Questionnaires on values, beliefs ideas, were administered. Dream content was elicited. Rorschach

perceptual tests were analyzed. Armed with an enormous amount of corporate and personal data, he analyzed the dominant character types on the American corporate scene. With respect to character he writes (1976:36):

When we considered an individual case, material from the interview, Rorschach, dreams and observation was analyzed in order to arrive at an analysis of the motives, traits, and values that form character... Character includes qualities of both the head and the heart, creative strivings, courage and cowardice, values and moral principles, sense of identity and cognitive style. Character is a person's psychic fingerprint, or as Heraclitus wrote more dynamically, it is what determines the fate of man.

He concluded that there were four such "ideal types": the Craftsman, the Jungle Fighter, the Company Man and the Gamesman. The Craftsman was "quiet, sincere, modest, and practical", oriented toward quality and tolerant of others. Maccoby concluded, however, that the Craftsman was not suited to our times, he could not "lead a complex and changing organization". The Jungle Fighter, too, had been by-passed by time. His values of power and domination had hitherto made him an empire-builder, like the Carnegies or the Fords of a previous era. These "lions" of earlier days have been replaced by "foxes" who move ahead in "the corporate hierarchy by stealth and politicking" (ibid:44). Thirdly, there is the pervasive Company Man. "His strongest traits are his concern with the human side of the company, his interest in the feelings of the people around him and his commitment to maintain the organization's integrity" (ibid:44).

Finally, we find the winner of the stylistic contest; the Gamesman who today dominates the corporate landscape.

The Gamesman is a "team player"; he believes in managing the process. He is capable of taking risks but not the magnitude of risk that characterized the earlier Jungle Fighter. Maccoby describes this "winner" (ibid:44):

Impatient with others who are slower and more cautious, he likes to take risks and to motivate others to push themselves beyond their normal pace. He responds to life and to work as a game. The contest hypes him up and he communicates his enthusiasm, thus energizing others. He enjoys new ideas, new techniques, fresh approaches and shortcuts. His talk and his thinking are terse, dynamic, sometimes playful and come in quick flashes... He tends to be a worrier, constantly on the lookout for something that might go wrong. He is self-protective and sees people in terms of their use for the larger organization.

Maccoby concluded that, although the Gamesman had come to dominate, it was at a cost both to himself and to society. In his striving to win, he had cut himself off from emotion and from values and, as a result, American society as a whole was not making moral choices. The Gamesman, he concluded, needed to reestablish contact with his "heart".

Comparisons and Contrasts

The present study echoes much of Maccoby's analysis. Our Craftsman seems to be a mixture of his Craftsman and Company Man.

Concerned with "quality", "humanity" and the "integrity of the organization" the craftsman's values are no longer those of the ambient society or, at least, of corporate society. An organization or a society which does not value experience, tradition, or authority will marginalize these types. Our study supports this as our craftsmen were systematically excluded from power.

Maccoby's Jungle Fighter, in his early incarnation as empire-builder, resembles our Artist but his Jungle Fighter did not share our Artist's humanity. He was only "driven"; he was not "warm", "funny", or "tolerant". Thus, our artist seems to be some combination of his Gamesman and his early Jungle Fighter. His modern Jungle Fighter, the "foxes" bear a family resemblance to our Technocrat in his most negative and power-hungry posture.

Finally, his Gamesman might be seen to be our TAs -- our technocrats with artistic leanings. More "emotional" and amusing than the pure technocrats, they nevertheless lack the humanity of the craftsman or the artist. Like Maccoby's Gamesman, he "sees people purely in terms of their use for the organization". Brilliant and gifted, he, too, needs to rediscover his "heart".

The differences between the two studies emerge largely because of design and purpose. Whereas our purpose was to enquire into the relationship between character and strategy, Maccoby's was designed to unearth the "possibilities of progressive social change" (ibid:41). He was looking for, and measuring, different things. His

data therefore shaped themselves into different configurations. Not so much concerned with how these characters played themselves out in a corporate context, with how the Gamesman triumphed, he took for granted the triumph and looked for ways to soften the blow.

Managers and Leaders: Are They Different?

One analyst, at least, has never taken that triumph for granted. For decades now, Harvard's Abraham Zaleznik has researched, and railed against, the triumph of the "Manager", and "The Managerial Mystique" (1977, 1989, 1990). In many ways, his "Manager" resembles Maccoby's Gamesman and our Technocrat. Trapped in a mental state "in which thinking and feeling separate and hence widen the rift between the mind and the heart and between logic and common sense" (1990:7), the "Manager" is preoccupied with systems, processes, procedures -- form at the expense of substance. Since the "heart" is the source of authenticity and vision, these managers are systematically, structurally, cut off from the well-springs of creativity. Because of their triumph, argues Zaleznik, American business has lost its competitive edge (1990:7-10):

The managerial mystique is only tenuously tied to reality. As it evolved in practice, the mystique required managers to dedicate themselves to process, structures, roles and indirect forms of communication and to ignore ideas, people, emotions and direct talk. It deflected attention from the realities of business, while it reassured and rewarded those who believed in the mystique... Essentially, business in America lost its competitive advantage by focussing on

profits and stock prices instead of fostering innovation and long-term goals.

We have seen that our Technocrat is similarly cut off from "emotion" which he considers little short of childish. He is similarly preoccupied by processes and procedures at the expense both of ideas and of people. Strategically, he pursues industry recipes -- he can't be wrong if everyone thinks the same way -- and "profits". The system that he dominates is a "fail-safe" one and it axiomatically stifles innovation.

"Leaders", on the other hand, "focus on imaginative ideas. Leaders not only dream up the ideas, but stimulate and drive other people to work hard and create reality out of ideas" (ibid:15). According to Zaleznik, this kind of leadership is "dead" (ibid:22):

Henry Ford's surrender of his power over the Ford Motor Company sounded the death knell for personal leadership. In its place came the dispassionate and coldly clinical professionals... They brought what they learned from the business schools, namely, principles of bargaining, emotional control, human relations skills, and the technology of quantitative control. They left behind commitment, creativity, concern for others and experimentation.

Comparisons and Contrasts

Zaleznik's "Leader" is some mixture of our Artist and our Craftsman, perhaps, like Jim, an A/C. He has the human qualities, the warmth, the humour, the forthrightness, of the craftsman and the vision and imagination of the artist. The "Manager" is of course our

Technocrat: cold, analytical, logical, there is a "rift between the mind and the heart, between logic and common sense". Thus does our Craftsman bemoan the Technocrat's lack of "realism", his "distance from the coalface", his unwillingness to dirty his hands in the substance of business.

The present study can be seen to be support for Zaleznik's work. The Manager does triumph. Here, it is the Technocrat. Because the Managerial Mystique is so widely accepted, so universally applauded, he succeeds in driving out all else but his conception of the world. What he says and what he does passes for wisdom; all else seems aberrant, irrational, emotional, old-fashioned, untidy, unpredictable, unacceptable. Reinforced by the larger society and rarely seen as problematic (Lalonde, Grunberg et al, 1988:289), the obsessional personality can readily prevail.

Reading Zaleznik's work is like listening to a tape recording of, or seeing a documentary film on, the history of the our corporation. One experiences a continuous sense of *deja vue*. But, there are some ways in which the two diverge. For one thing, the current study sees three and not two character types and the third, the Craftsman, is not simply a residual "all others". Zaleznik embeds the craft virtues in the Leader but they are not always there; often these virtues are carried by another type of person, not a "Leader" but his 2ic, his second-in-command. It is the craftsman that often keeps the artist on the ground, rooted in the industry, in the products, in the capacities of people. And, very often it is the Craftsman that engages

technocrats to develop the structures, the systems, the procedures that keep the "wheels from falling off the cart". Zaleznik calls for a restoration of "Leaders" and, seemingly, for the eradication of "Managers". This study, points toward the necessity of all three types, but the three types in descending hierarchical order: the Artist, the Craftsman, and the Technocrat. It is our collective shortsightedness that has put the Technocrat in power, put him in an inappropriate relation to the others and allowed him to drive them out.

The Larger Literature

This study began with a review of the strategy literature. There, we saw that the literature divided itself according to differing visions of the process of strategy formation. The dominant school, represented best in the work of Porter (1980, 1985), argued for an analytic approach and the production of a strategic plan, on paper, to direct the activities of the corporation. The rival school, represented best by Quinn (1978, 1980), argued that this was impossible. Strategy was too complex, the future too cloudy, to develop once-and-for-all plans. Incrementalism was a logical necessity; strategy should be "crafted" (Mintzberg, 1987).

This study suggests that these visions, these alternate descriptions, may be an artifact of method rather than a substantive disagreement. Maybe the crafting school has studied organizations that proceed incrementally because they are dominated by

craftsman. Maybe the dominant school, in studying only Fortune 500 companies, sees only a technocratic world that wants to adopt, and can afford, the costly, time-consuming, analytic approach, an approach which promises to reduce chaos to order by unrealistic means.

The minor "visionary leadership" school may be minor because artists are always rare. Or, to use a metaphor, they have passed from "rare" to the category "endangered species", in corporate life. The Lands, the Perots, the Jobs's, are studied as anomalies and what they represent is dismissed as applicable only to "entrepreneurs" which is itself falsely identified with owner-managers, start-ups, founders. Conceptually, "entrepreneurship" is separable from the people who engage in it. There can be "entrepreneurship" in major corporations but it is driven out by the Technocrat and the "Managerial Mystique". The reason the phenomenon "entrepreneurship" is confounded, conceptually, with the place that it shows itself, is because, today, only a young corporation, a small corporation, a founding owner, is safe from that "Mystique", safe to exercise leadership, safe to be an Artist.

Research Directions

This study has a major limitation. It was based on one case. It can lay little claim to generalizability except in so far as it supports judgements drawn elsewhere under differing circumstances

(Maccoby, 1976; Zaleznik, 1977, 1989, 1990). This is the dilemma of longitudinal research using clinical methodologies: it takes a long time but offers rich, ungeneralizable, material. It needs to be replicated. That represents a life's work.

The methods, on the other hand, are portable. Other researchers could attempt replication of these results. The adjective check list is easily administered. Extreme caution must be exercised in the case of the MMPI however. It is not to be "toyed with" and has inherent limitations as a device to study character. If used, it must always be accompanied by clinical material either in the form of observation and clinical interviews or, as a proxy, the adjective lists. Ideally, all these devices should be used simultaneously.

One potentially fruitful area of study would be to investigate the same corporations that have been studied by others and which have given rise to the two dominant schools in strategy formation. Perhaps we would discover that they were indeed run by very different people -- Craftsman and Technocrats. Because previous researchers studied processes, procedures, events, plans, but not people, this remains a question mark.

There is growing research interest in the capacity of organizations as a whole to "learn". Learning can of course take place by "leaps and bounds", benefitting from unique insights. We learn from artists. Organizational revitalization will depend on them. We learn, as well, from books. The technocrat contributes to learning.

But, learning can also take place more slowly, through experience. It is this last form of learning, associated with tradition and experience, which seems most in jeopardy. Those researchers interested in organizational learning and continuity may wish to devote some attention to the Craftsman --- the carrier of organizational memory. He is content to stay in one spot long enough to acquire a memory.

Researchers interested in organizational life-cycle research may wish to explore the line of causality between life cycle and character. Is there some necessary, fatal flaw in the beginning which always and everywhere necessitates the shift from the artistic to the technocratic style? Is it necessary or is it the product of our collective insecurity? Is there a way to keep the vital artistic imagination alive, to keep the organization in a "learning" mode with the craftsman intact, and keep the "wheels from falling off all the carts"?

Scholars whose research interests lie particularly with organizational structures may wish to explore ways in which those structures lend themselves to the evolution from the artistic to the technocratic mode. Here, we may have in mind that traditional notions of "chain of command" may need modification if we are to preserve all three managerial styles and to have them interact continuously.

Finally, there is a great deal of work that needs to be done on corporate governance. One may well ask where the board of

directors was in this organization in the last fifteen years. How was it composed? What did it see as its primary role? In interviews and observation, it was very clear that there was considerable reluctance on the part of the board but that reluctance never made itself seriously felt. Was this for personal or structural reasons? Is there something systemic which prevented it from exerting its formal authority or was it simply at one with our times? That is, did it so thoroughly share the technocratic impulse that it did not see any real danger in the emerging monolithic personality of the organization?

Concluding Thoughts

This study began as an enquiry into the relationship between character and strategy. It was inspired by entrepreneurs and artists, who are present in all walks of life. As Santayana (1905:56) told us in the beginning, "Man's progress has a poetic phase in which he imagines the world, then a scientific phase in which he sifts and tests what he has imagined". A world seemingly reduced to "sifting" and "testing" was unacceptable to this researcher. Was the "Managerial Mystique" to be believed? Was there really no place for poetry in organizations? Had time really made art and craft unnecessary, undesirable, anachronisms of a by-gone era?

The "poetic phase" of this research consisted of the fantasy that there were three kinds of characters in our corporations. The "scientific phase", the "testing", confirmed it. This was essentially a deductive process. But, there was an inductive part of the research

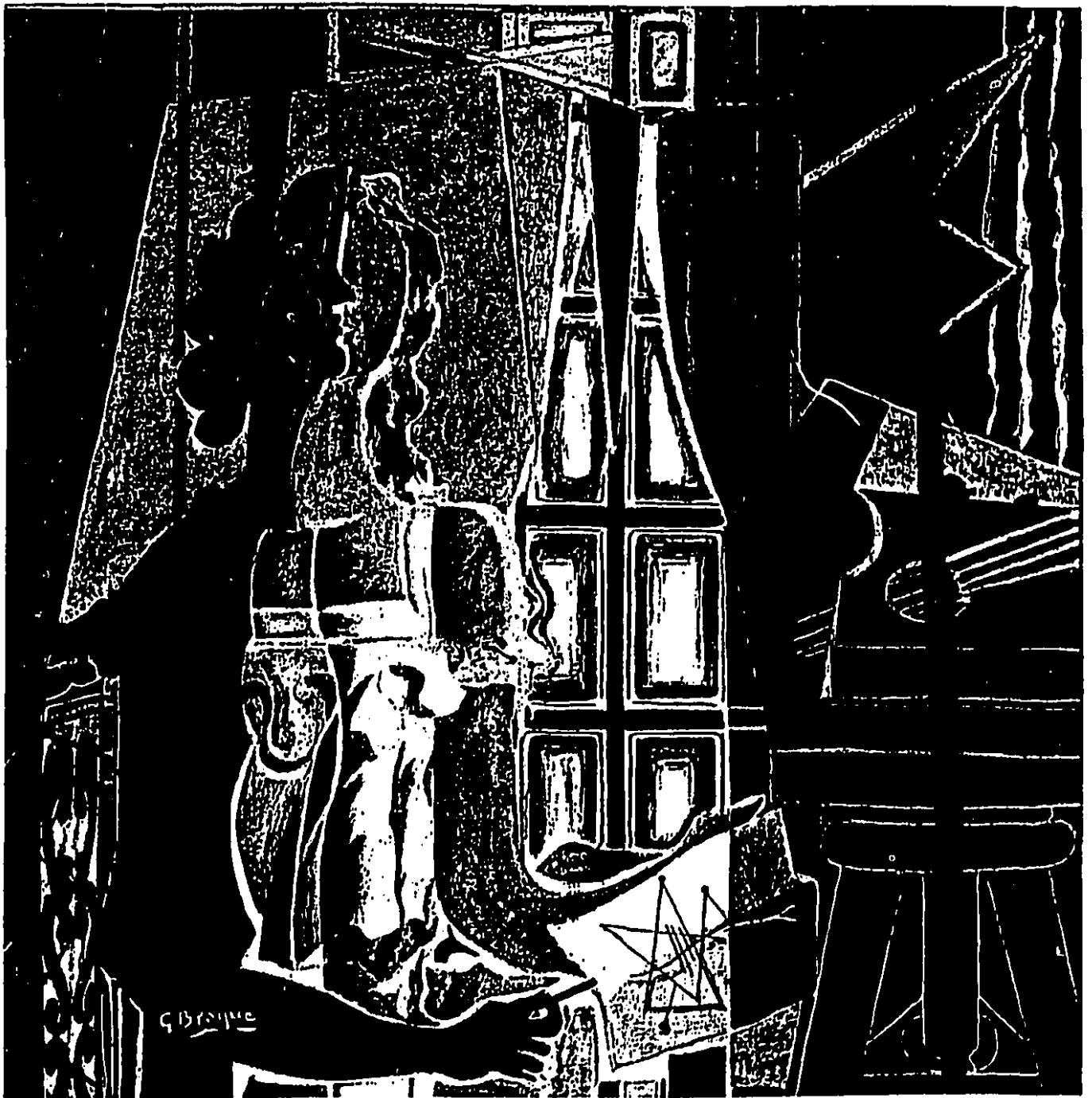
which was scarcely understood and not-at-all foreseen in the beginning. It began with a desire to look at strategy in the artistic mode as a counterpoint to a literature dominated by the other two perspectives. It finished with a new appreciation of the Craftsman and of craft. It broadened from strategy to organization. It ended with a growing sense of unease for the future of this and other organizations.

Only future historians will see if this sense of unease was founded. There is no way to prove, from today's vantage point, that there are real dangers inherent in the technocratic victory. Perhaps the organization will benefit from it. Perhaps a new cycle of entrepreneurship will begin or, perhaps, the technocratic style is the appropriate one for the year 2000. One thing is clear. Not many of my students will wish to work in these organizations and, collectively, teachers have a responsibility to let them know what to expect.

Plate One: Marc Chagall



Plate Two: Jacques Braque



APPENDIX A

Ontology, Epistemology, and Methodology

	Subjective ←————→ Objective						
ONTOLOGY Reality as:	Projection of Imagination	Social Construction	Symbolic Discourse	Field of Information	Concrete Process	Concrete Structure	
HUMAN NATURE Man as:	Spirit	Symbol Creator	Symbol User	Information Processor	Adaptor	Responder	233
EPISTEMOLOGY Understanding:	Insight	How Social Reality is Constructed	Patterns of Symbolic Discourse	Contexts	Systems, Processes	Causes	
METHODOLOGY	Exploration of Subjectivity	Hermeneutics	Symbolic Analysis	Contextual Analysis	Historical Analysis	Experiments, Surveys	

Source: Adapted from Morgan, G. & L. Smircich (1980) "The Case for Qualitative Research",
Academy of Management Review , Vol 5, No. 4.

Appendix B

From among the following list of words, please check those that most apply to the person concerned.

- | | | | |
|--------|-----------------|--------|-----------------|
| 1 [] | volatile | 31 [] | exciting |
| 2 [] | humane | 32 [] | warm |
| 3 [] | stable | 33 [] | uncompromising |
| 4 [] | unpredictable | 34 [] | emotional |
| 5 [] | well-balanced | 35 [] | honest |
| 6 [] | controlled | 36 [] | stiff |
| 7 [] | funny | 37 [] | intense |
| 8 [] | people-oriented | 38 [] | trustworthy |
| 9 [] | serious | 39 [] | meticulous |
| 10 [] | imaginative | 40 [] | energetic |
| 11 [] | thoughtful | 41 [] | dedicated |
| 12 [] | predictable | 42 [] | detail-oriented |
| 13 [] | daring | 43 [] | generous |
| 14 [] | helpful | 44 [] | punctual |
| 15 [] | conventional | 45 [] | visionary |
| 16 [] | bold | 46 [] | easy-going |
| 17 [] | amiable | 47 [] | realistic |
| 18 [] | conservative | 48 [] | open-minded |
| 19 [] | intuitive | 49 [] | analytical |
| 20 [] | honest | 50 [] | entrepreneurial |
| 21 [] | distant | 51 [] | knowledgeable |
| 22 [] | insightful | 52 [] | determined |
| 23 [] | straightforward | 53 [] | steady |
| 24 [] | cerebral | 54 [] | methodical |
| 25 [] | brilliant | 55 [] | polite |
| 26 [] | hard-working | 56 [] | reasonable |
| 27 [] | sensible | 57 [] | inspiring |
| 28 [] | difficult | 58 [] | fastidious |
| 29 [] | wise | 59 [] | hard-headed |
| 30 [] | responsible | 60 [] | no-nonsense |

Appendix C

¶	MMPI	¶	Minnesota Multiphasic Personality Inventory
¶		¶	

TEST AUTHORS: Starke R. Hathaway
J. Charnley McKinley

This clinical report is designed to assist in psychodiagnostic evaluation. It is available only to qualified professionals. This report was produced by a computerized analysis of the data given by the client listed above. The techniques utilized in the analysis of the data and in generation of this report were designed by several psychologists, psychiatrists, and other professionals utilizing highly validated clinical research. However, this report is to be used in conjunction with professional evaluation. No decision should be based solely upon the contents of this report.

The computer program generating this report was designed by Psych Systems, Inc., Baltimore, Maryland 21208. Copyright (C) 1984 by Psych Systems, Inc. Portions of this report may have been reproduced or derived from the MINNESOTA MULTIPHASIC PERSONALITY INVENTORY (MMPI), such being done by permission of and under copyrights held by THE UNIVERSITY OF MINNESOTA dated 1943, renewed 1970. Rights to the MMPI are licensed through National Computer Systems, Inc., Interpretive Scoring Systems Division, Minneapolis, MN



RESEARCH SCALES

Standard Scores

Special Scales		R	T					
-----		-	-					
A First Factor	(A)	21	61	11	11	*	11	
R Second Factor	(R)	16	51	11	*		11	
Ego strength (Barron)	(ES)	44	49	11	*11		11	
Caudality (Williams)	(CA)	16	62	11	11	*	11	
Social status (Gough)	(ST)	20	55	11	11	*	11	
Dominance (Gough)	(DO)	15	51	11	*		11	
Social resp (Gough)	(RE)	13	33	11*	11		11	
Manifest anxiety (Taylor)	(MAS)	28	69	11	11		*11	11
Dependency (Navran)	(DY)	29	61	11	11	*	11	
Prejudice (Gough)	(PR)	12	51	11	*		11	
Control (Cuadra)	(CN)	31	66	11	11		*	11
Alcoholism (MacAndrew)	(ALC)	26	(**) 30	11	11		11	11
					40	50	60	70

** - Medium Addiction Proneness

Content Scales (Wiggins)

Social maladjustment	(SOC)	17	67	11	11		*	11
Depression	(DEP)	10	56	11	11	*		11
Feminine interests	(FEM)	12	58	11	11	*		11
Poor morale	(MOR)	14	62	11	11		*	11
Religious fundamentalism	(REL)	0	29	*11	11			11
Authority conflict	(AUT)	7	44	11	*	11		11
Psychoticism	(PSY)	14	60	11	11		*	11
Organic symptoms	(ORG)	11	63	11	11		*	11
Family problems	(FAM)	12	86	11	11			11*
Manifest hostility	(HOS)	17	65	11	11		*	11
Phobias	(PHO)	10	62	11	11		*	11
Hypomania	(HYP)	18	64	11	11		*	11
Poor health	(HEA)	8	58	11	11	*		11
				30	40	50	60	70

Item Factors

(Tryon, Stein & Chu)

TSC-I Social introversion	(I)	17	73	11	11			11*
TSC-II Bodily concern	(B)	10	73	11	11			11*
TSC-III Suspicion	(S)	9	52	11	11*			11
TSC-IV Depression	(D)	13	75	11	11			11*
TSC-V Resentment	(R)	12	70	11	11			*
TSC-VI Autism	(A)	16	83	11	11			11*
TSC-VII Tension	(T)	15	69	11	11			*11
				30	40	50	60	70

Standard scores are based on statistics derived according to the procedures described in Dahlstrom, W.G., Welsh, G.S., & Dahlstrom, L.E. An MMPI Handbook, Vol. II. Minneapolis, University of Minnesota Press, 1972.

Standard Scores

Factor Scales (Johnson, Butcher, Null & Johnson)		R	T						
		-	-						
Neuroticism-Gen'l Anx. & Worry	(N)	52	55	¶		¶	*		¶
Psychotism-Peculiar Thinking	(P)	4	50	¶		*			¶
Cynicism-Normal Paranoia	(C)	4	35	¶	*	¶			¶
Denial of Somatic Problems	(DSP)	15	49	¶		*¶			¶
Social Extroversion	(SE)	10	45	¶		*	¶		¶
Stereotypic Femininity	(SF)	8	46	¶		*	¶		¶
Psychotic Paranoia	(PP)	0	38	¶	*	¶			¶
Delinquency	(DL)	8	66	¶		¶		*	¶
Stereotypic Masculinity	(SM)	6	50	¶		*			¶
Neurasthenic Somatization	(NS)	1	44	¶		*	¶		¶
Phobias	(PH)	4	47	¶		*	¶		¶
Family Attachment	(FA)	4	31	*		¶			¶
Intellectual Interests	(II)	6	51	¶		*			¶
Religious Fundamentalism	(RF)	0	25	*¶		¶			¶
				30	40	50	60	70	

Harris & Lingoes SubScales

Subjective Depression	(D1)	13	67	¶		¶		*	¶
Psychomotor Retardation	(D2)	6	54	¶		¶	*		¶
Physical Malfunctioning	(D3)	4	56	¶		¶	*		¶
Mental Dullness	(D4)	5	65	¶		¶		*	¶
Brooding	(D5)	6	71	¶		¶		*	¶
Denial of Social Anxiety	(Hy1)	4	53	¶		¶*			¶
Need for Affection	(Hy2)	8	62	¶		¶		*	¶
Lassitude-malaise	(Hy3)	7	70	¶		¶			*
Somatic Complaints	(Hy4)	4	55	¶		¶	*		¶
Inhibition of Aggression	(Hy5)	4	60	¶		¶		*	¶
Familial Discord	(Pd1)	7	80	¶		¶			¶*
Authority Problems	(Pd2)	8	74	¶		¶			¶*
Social Imperturbability	(Pd3)	7	48	¶		*¶			¶
Social Alienation	(Pd4A)	11	70	¶		¶		*	¶
Self-Alienation	(Pd4B)	8	66	¶		¶		*	¶
Persecutory Ideas	(Pa1)	1	46	¶		*	¶		¶
Poignancy	(Pa2)	2	49	¶		*	¶		¶
Naivete	(Pa3)	6	61	¶		¶		*	¶
Social Alienation	(Sc1A)	8	69	¶		¶			*¶
Emotional Alienation	(Sc1B)	1	39	¶	*	¶			¶
Lack of Ego Mastery, Cognitive	(Sc2A)	3	60	¶		¶		*	¶
Lack of Ego Mastery, Conative	(Sc2B)	3	55	¶		¶	*		¶
Lack Ego Mast., Defect. Inhib.	(Sc2C)	4	67	¶		¶		*	¶
Bizarre Sensory Experiences	(Sc3)	5	60	¶		¶		*	¶
Amorality	(Ma1)	3	59	¶		¶		*	¶
Psychomotor Acceleration	(Ma2)	5	59	¶		¶		*	¶
Imperturbability	(Ma3)	3	47	¶		*	¶		¶
Ego Inflation	(Ma4)	3	52	¶		¶*			¶
				30	40	50	60	70	

Appendix D

DSM Diagnostic Criteria for Obsessive Compulsive Personality Disorder

301.40 Obsessive Compulsive Personality Disorder

The essential feature of this disorder is a pervasive pattern of perfectionism and inflexibility, beginning by early adulthood and present in a variety of contexts.

These people constantly strive for perfection, but this adherence to their own overly strict and often unattainable standards frequently interferes with actual completion of tasks and projects. No matter how good an accomplishment, it often does not seem "good enough." Preoccupation with rules, efficiency, trivial details, procedures, or form interferes with the ability to take a broad view of things. For example, such a person, having misplaced a list of things to be done, will spend an inordinate amount of time looking for the list rather than spend a few moments re-creating the list from memory and proceed with accomplishing the tasks. Time is poorly allocated, the most important tasks being left to the last moment.

People with this disorder are always mindful of their relative status in dominance-submission relationships. Although they resist the authority of others, they stubbornly and unreasonably insist that people conform to their way of doing things.

Work and productivity are prized to the exclusion of pleasure and interpersonal relationships. Often there is preoccupation with logic and intellect and intolerance of affective behavior in others. When pleasure is considered, it is something to be planned and worked for. However, the person usually keeps postponing the pleasurable activity, such as a vacation, so that it may never occur.

Decision making is avoided, postponed, or protracted, perhaps because of an inordinate fear of making a mistake. For example, assignments cannot be completed on time because the person is ruminating about priorities. This indecisiveness may cause the person to retain worn or worthless objects even when they have no sentimental value.

People with this disorder tend to be excessively conscientious, moralistic, scrupulous, and judgmental of self and others—for example, considering it "sinful" for a neighbor to leave her child's bicycle out in the rain.

People with this disorder are stingy with their emotions and material possessions. They tend not to express their feelings, and rarely give compliments or gifts. Everyday relationships have a conventional, formal, and serious quality. Others often perceive these people as stilted or "stiff."

Associated features. People with this disorder may complain of difficulty expressing tender feelings. They may experience considerable distress because of their indecisiveness and general ineffectiveness. Their speech may be circumstantial. Depressed mood is common. These people have an unusually strong need to be in control. When they are unable to control others, a situation, or their environment, they often ruminate about the situation and become angry, although the anger is usually not expressed directly. (For example, a man may be angry when service in a restaurant is poor, but instead of complaining to the management, ruminates about how much he will leave as a tip.) Frequently there is extreme sensitivity to social criticism, especially if it comes from someone with considerable status or authority.

Impairment. This disorder frequently is quite incapacitating, particularly in its effect on occupational functioning.

Complications. Obsessive Compulsive Disorder, Hypochondriasis, Major Depression, and Dysthymia may be complications. Many of the features of Obsessive Compulsive Personality Disorder are apparently present in people who develop myocardial infarction, particularly those with overlapping "Type A" personality traits of time urgency, hostility-aggressiveness, and exaggerated competitiveness.

Predisposing factors. No information.

Prevalence and sex ratio. The disorder seems to be common, and is more frequently diagnosed in males.

Familial pattern. The disorder is apparently more common among first-degree biologic relatives of people with this disorder than among the general population.

Differential diagnosis. In **Obsessive Compulsive Disorder** there are, by definition, true obsessions and compulsions, which are not present in **Obsessive Compulsive Personality Disorder**. However, if the criteria for both disorders are met, both diagnoses should be recorded.

Diagnostic criteria for 301.40 Obsessive Compulsive Personality Disorder

A pervasive pattern of perfectionism and inflexibility, beginning by early adulthood and present in a variety of contexts, as indicated by at least *five* of the following:

- (1) perfectionism that interferes with task completion, e.g., inability to complete a project because own overly strict standards are not met
- (2) preoccupation with details, rules, lists, order, organization, or schedules to the extent that the major point of the activity is lost
- (3) unreasonable insistence that others submit to exactly his or her way of doing things, or unreasonable reluctance to allow others to do things because of the conviction that they will not do them correctly
- (4) excessive devotion to work and productivity to the exclusion of leisure activities and friendships (not accounted for by obvious economic necessity)
- (5) indecisiveness: decision making is either avoided, postponed, or protracted, e.g., the person cannot get assignments done on time because of ruminating about priorities (do not include if indecisiveness is due to excessive need for advice or reassurance from others)
- (6) overconscientiousness, scrupulousness, and inflexibility about matters of morality, ethics, or values (not accounted for by cultural or religious identification)
- (7) restricted expression of affection
- (8) lack of generosity in giving time, money, or gifts when no personal gain is likely to result
- (9) inability to discard worn-out or worthless objects even when they have no sentimental value

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