

**Win-lose and Win-win
Interactions
and**

Organisational Responses to Scarcity

av

Galvin Whitaker

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About the author

Galvin Whitaker first studied electrical and mechanical engineering, and then took a degree at the University of Oxford, where his special interests were in logic and statistics. He then went to the Sloan School of Management at Massachusetts Institute of Technology, from which he was invited in 1953 to return to England to take up the University of Leeds' first appointment in Industrial Management. He subsequently founded and became Director of the university's Department of Management Studies, and was appointed Director of Organisational Research in 1974. He has since retired from teaching and is now an Honorary Lecturer of the University.

Whilst at Leeds, and since, he has pursued a long-term interest in processes of diagnosis and decision in both public and private organisations. This led him into the study of strategy and of how people work together in groups. He was active in the development of the study of group dynamics, and developed the Leeds group dynamic courses. He became a Fellow of NTL, the American professional organisation for this work, was a co-founder and Fellow of EIT, the European organisation for this work, and founded the British Group Relations Training Association.

He has for many years served as a consultant and as a trainer for consultants, specialising in methods of diagnosis for use in organisations by internal and by external consultants. He has become increasingly involved in the implications of strategy, and related methods of problem-solving, for how organisations are structured and managed - particularly in developing effective non-adversarial ways of managing, which do not introduce the distraction of making one person win at the expense of the other.

Introduction

This paper arose in the first instance from encountering in Sweden new responses to the task of increasing economic efficiency and maintaining quality, in face of reduced availability of resources. These responses contrasted sharply with more usual responses to similar circumstances. To that extent the article is about responses to scarcity. The current economic situation has indeed required many organisations to confront and respond to sharp reductions in resources within short periods of time. However, what is experienced as, and therefore called, 'scarcity', is a perceived increase in pressures which are already and always present. This article is therefore relevant to how organisations seek to increase efficiency whilst maintaining quality.

Any organisation has to produce consequences or effects, which are its outputs of goods or services. Its need to have these effects turn out as intended is usually treated as the issue of 'quality', or 'effectiveness'. The intended effects have to be achieved with attention to the economic use of inputs to the organisation, for if its use of resources exceeds supply, it will not survive. The economic use of input resources is the issue of 'efficiency'.

Sometimes there are sharp changes in the pressures for efficiency and effectiveness. Changes may manifest for instance as drastic decline (or increase) in demand for outputs, due for example to market changes or to a recession, or to long-run technical or economic changes. There may be increased need for efficient use of resources so as to lower selling-prices to meet competition, or to sustain outputs in face of a diminished supply of resources. Any, or any combination, of these events may present as an onset of 'scarcity'. Economic changes commonly are increases in existing economic pressures. It is the same with management and organisation. When the pressures on an organisation are perceived to change, the organisation is likely to respond by reinforcing and increasing the use of organisational and managerial practices which it already employs. Just as the present impact of long-run economic processes is seen as a new crisis, so the organisational response of increased use of long-established methods is represented as a new managerial initiative, to deal with new problems.

This paper is about ways of organising and managing which are there all the time,

but which, like the pressures of 'scarcity', may become more visible and striking in times of economic change.

The paper begins with a review of the managerial responses which become evident when pressures on organisations increase. It begins with '**Mainstream responses to scarcity**', in section I, and then proceeds to **Alternative responses to scarcity**, in section II.

With these different patterns of response in view, there arises the question of how to think about them. Section III is called **Mainstream and alternative responses, as seen from various points of view**. In this section, ways of responding to pressure are considered first in the light of mainstream, or generally held, views about management and organisation. This, however, means in effect looking at both mainstream and alternative responses from the point of view of mainstream, or generally held, views about management and organisation. To do this does not give an informative or usable overview of both kinds of response, but tends naturally to confirm the mainstream response, and to yield an evaluation of the alternatives as trivial or even harmful deviations from it, or as being meaningless.

When examining two different ways of managing, there is a risk of pre-determining one's conclusions, because the assumptions of one or other of the ways of managing may enter unnoticed into the reasoning. Ideas and criteria which do not derive from either of the ways of managing are therefore needed. For this reason, an 'external-to-both' frame of reference has been assembled. Section IV is **Sources for a frame of reference for looking at both mainstream and alternative patterns of action, derived from neither of them**. The sources named and discussed are the theory of games, which offers the idea of 'win-lose' or 'win-win' outcomes to transactions, comparative cultural anthropology, and the logic of war and strategy. The thinking which emerged from this is presented in section **V: Propositions selected or developed from the sources**.

I: 'Mainstream' responses to scarcity

The scarcities being experienced by manufacturing and related organisations are the immediate consequence of a long-term and pervasive decline in demand and, following upon this, a fall in income. The scarcities experienced by service-providing organisations, particularly in the public sector, follow from reductions in funding, accompanied by no reduction in the demand for services, or even an increase in demand.

Typically, organisations respond to scarcity by making changes intended to increase efficiency by reducing the cost of providing goods and services, so as to remain economically viable despite having less money, and so to be able to compete in dwindling markets (or, in the public sector, to continue to provide services). A favoured route to economic efficiency is for organizations to dispense with many of their front-line workforce.

Another frequently-occurring response is a gross reduction of the number of middle managers. This is not necessarily due to reduction in the size of the organization as a whole. This response is often referred to as 'de-layering', or 'making a flatter organization', or simply as 'making organisational changes'. These will be directed towards getting the same or more work done by fewer people. They commonly involve changes in decision-making procedures, changes in the flow, location and processing of information, shifts in distribution of responsibility and alterations in task-specification.

Decision-making

When middle managers are eliminated, their decision-making powers do not usually devolve to their former subordinates. Rather, the decisions for which they were previously responsible for making are put into the hands of people conceived of as more 'central'. These decision-makers are indeed more central, in that they are likely to be stationed for instance at an organization's regional or national headquarters, and so at its 'centre', rather than at its local branches. They are, however, not only nearer to the 'centre', but to the top, in that they are further up the scale of power, or hierarchy of management. They are also more distant from where the organisation's goods and services meet their users, that is to say from

the 'front line', or interface between the organization and those who use its goods or services. They are also more distant from the interface between workers and their work, and farther away from the consequences of their own decision-making, than are the decision-makers whom they displace.

For example, in the public sector in England small local decision-making bodies, such as local government authorities, have been losing their power to make decisions, either outright or else by revision of boundaries so that big units absorb smaller units. The argument commonly offered for such measures is that small units are uneconomic in making decisions, because many small units require many decision-makers, whilst in larger units the same decisions are made by far fewer people. 'Administration' thus costs less. A similar shift in power has been occurring with the transfer of powers from elected local councillors to centrally-appointed members of 'quangos', or 'quasi-autonomous non-governmental organisations'¹.

Structural changes which affect where decisions are made have effects on the location, movement and processing of information, on responsibilities, and on task-definition. Each of these will next be discussed in turn.

Information

When an organization responds to scarcity in the customary or mainstream way, changes in the location and the flows of information occur. This follows from relocating decision-making at the 'centre' or top. If decision-making power is so relocated, then instructions as to how decisions made at the top are to be implemented will necessarily flow from the centre or top to the periphery. The top also now needs a way of ensuring that their decisions are implemented as intended.

The centre or top will therefore require returns and reports, or observations made by inspectors, to provide evidence as to whether or not people at the periphery are complying with the instructions² issued to them. If instructions are not complied with, the decisions which the top makes in order to secure cost- reduction will be in vain.

As well as cutting costs, the top needs to control quality, which is to say, effectiveness. This is commonly done by specifying precisely what 'quality' shall be held to consist of, and specifying what procedures and actions are the proper route to it. Conformance with specifications may then be ensured through 'quality-

¹ Hugill (1994)

² Footnote see next page

assurance' programmes intended to make sure of quality by exacting strict obedience to instructions³, with detailed supervision. The task of supervising may be taken on by adjoining layers of management, or supervision may be provided by creating or enlarging an inspectorate, internal or external to the organization.

So: there is an increased flow of information from top to periphery in the form of instructions (or 'guidelines'), and an increased flow of information from the periphery to the top in the form of reports from which judgements of compliance can be made. There are decreased flows of other forms of information. Less specific and concrete information about purposes and actual decision-criteria is issued to people at the periphery. The argument for this is that the central decision-makers need more information as they make more decisions, whilst the people at the 'periphery', since they now have to make fewer decisions, need less. Local variety — that is, the diversity of individual cases and events which people at the periphery have to deal with — does not cease. Local variety could be dealt with by local option, but this tends not to be done. Local option would mean allowing the people at the periphery — who face the variety — the discretion and the power to make local decisions. If this is not done, and decision-power is retained at the centre, then central decisions will have to be supplemented by further rules and directives as to how the decisions are to be applied to diverse cases. Manuals of 'guidance' or instruction are therefore required. These tend to proliferate and become more and more detailed.

Responsibility

'Responsibility' can have two meanings: being responsible for making policy and decisions; and being responsible for things that go wrong. 'Responsibility', in the sense of power to make decisions, is likely to be 'centralised' in response to

² Nowadays referred to as 'guidelines' — a euphemism expressed by the *New Yorker* cartoon caption many years ago: 'This is only a suggestion...but remember who's making it...' It seems reasonable to infer that the euphemism, 'guidelines', signals an aversion to acknowledging the concentration of power and the substitution of rules and commands for local decision-making and discretion. In the days when the author was a young engineer, 'guide-lines' were faint pencil-lines which a draughtsman or designer himself ruled on his drawings, to help him judge the proper height of his lettering — and which he erased when he had finished with them. Now, they are instructions issued from above, to be obeyed. See also Cohen & Trapp (1994: 17).

³ Crosby (1984): Chapter 6: The First Absolute: Definition of Quality is Conformance to Requirements.

scarcity. Those at or near the top of the organisational hierarchy, who already have power, now have more power. The argument for this shift is commonly that better decisions come from use of the staff expertise available at the centre, and that decisions should be taken in light of strategic — and therefore central, or centrally-held — information, rather than of 'tactical', or local, information.

'Responsibility' in the sense of liability for blame, and liability to suffer retribution, is likely to be located at the periphery, when non-adherence to required procedures, quotas and the like are detected. Penalties may be imposed if non-conformance is detected. Upper management takes on more of the role of inspector and of watch-dog.

Tasks

When there is scarcity, and indeed in response to other and more transient alarms, managers commonly respond by requiring more stringent specification of tasks. For instance, when there have been alarms in England about the care of children, or demands for use of less resources in education, the state's response has conspicuously included the issuing of more detailed and more stringent specifications of the tasks of those who do the work. New laws have been passed, to make and put into force central specification of school syllabuses, and new codes of practice. The 'solutional space', or notional area within which those concerned are able to make choices about how they do their work, is thus reduced.

The cash connexion

Cost-accounting procedures have for long included attempts to measure organisational units' capacity for economic survival by measuring the costs of their resource inflows and outflows.

The same intent is now further pursued by making what were hitherto parts of organisations into organisationally and financially separate units, which can only traffic one with another by buying and selling. The same process of reinforcing boundaries may be seen within organisations. For instance, use of any resources allocated to one department may be forbidden to another except if payment is made.

'New' management

The measures above are sometimes referred to by their advocates as 'new management'. They are indeed being newly introduced into organisations where other ways of managing and other criteria have hitherto prevailed. To call them 'new', however, implies that they are the outcome of innovative thinking, and are a break with the past. Whether this is so will be discussed next.

II: Alternative responses to scarcity

Other managerial responses are possible. In the section which now follows, some examples of responses to scarcity and one response to other organisational changes will be considered. The first involves in-company or intra-organisational measures. The second has to do with interactions between organisations, or between organisational units. The third has to do with a gross change of scale of organisation. The fourth is from a new organisation for managing small group homes for vulnerable people who need assistance in everyday living.

First example: a response within an organisation: Bofors AB

Bofors⁴ is a high-technology manufacturing organisation. The company was under pressures similar to those resulting elsewhere from what we have chosen to refer to broadly as 'scarcity', namely an acute need to increase productive efficiency whilst maintaining effectiveness of the product. It needed to produce, within low profit-margins, a product of high technical complexity, with high material costs, and with rigorous adherence to specifications for precision and performance. Managerial and organisational solutions which might put speed of production (or 'efficiency') ahead of quality (or effectiveness) were ruled out from the start.

Within these boundaries, Bofors made organisational changes which ran counter to industry's long-established and pervasive practices of concentrating power at the centre and of increasing regulation. Rather than having work-place conditions follow as a residual from decisions to aggregate power elsewhere, planning started from a preferred form of work-place organisation. The response was thus 'local-driven', rather than top- or 'centre-'driven. It appears to have been based on assumptions about management and about work drastically different from those of mainstream management.

⁴ Wennberg & Hane (1994)

Decision-making

The company chose to make it the normal practice, or starting-point, that decisions about their work should be put into the hands of the people directly concerned, rather than having others make decisions for them. This entailed reducing, rather than increasing, the flow of regulations and instructions by which the actions of people at the work-face are otherwise governed, and giving them more information than the minimum needed for them to do their allotted tasks. This choice thus goes directly counter to the mainstream response.

Information

The mainstream response is to restrict decision-making at the lower, local or peripheral levels of the organisation — which is to say, the people at the work-face — and therefore to require them to furnish more information to the top, in the form of reports demonstrating compliance and the like, and to receive from the top an augmented flow of instructions and rules, whilst having minimal information about strategic purposes and about the work of neighbouring people and neighbouring units.

The changes at Bofors, on the other hand, increase decision-making by people at the periphery. They are to make more decisions about their own jobs, so they need more information about the work of their neighbours, with which their own work has to fit. This is provided largely by job-rotation, through which they come to have first-hand knowledge of the tasks and of the quality-requirements of others who are technically their neighbours. The intent, and the effect, is that problem-solving becomes possible where problems occur, rather than routinely requiring reference upwards.

Responsibility

Within Bofors, people doing work take responsibility for solving problems which arise in their own tasks, and they take responsibility for the quality of their own work. By rotation from job to job they become sufficiently acquainted with each other's work and with the technical conditions which each element of the production process needs from the others to be able to assist one another to monitor quality. The mainstream way of solving problems having to do with responsibility for quality is to make the boundaries between different jobs clearer, and more difficult to cross. This makes it easier to find out afterwards what caused errors, and whose mistake they were. An alternative solution, which Bofors have adopted, is to encourage people to work across such boundaries, and to make it

easier for them to do so. This helps them to cooperate in forestalling errors and problems, rather than encountering them after the event and then finding what caused them. Encouraging people to work across boundaries, rather than to keep within them, thus makes allocation of blame at once more difficult and less necessary.

These changes of course alter the responsibilities of supervisors, who are not held answerable for what they cannot in fact influence. This should go far to relieve the position of the foreman, from being that of the man in the middle, held responsible by upper management for the actions of others, which he cannot in fact control. Foremen become instead answerable for other issues, which only they can influence, such as coordination, personnel questions, provision of information, and meeting developmental needs. It is noteworthy that workers from Bofors mention 'personnel' as a prime responsibility of first-line supervisors, rather than as a staff specialism.

The handling of quality-maintenance might equally well be thought of as having to do with information and with responsibility. By allowing people to be responsible for the quality of their own work, serving as their own and their neighbour's monitors, the firm locates the information-process of quality control right at the workplace. The worker himself is the source not only of any errors, but of quality. Responsibility in the sense of blame placed on workers by top management scarcely becomes a possibility, and so the passing of blame from one worker to another diminishes to vanishing-point. With the feedback loop of quality-monitoring shortened, errors can be corrected 'on-line', or indeed forestalled *ex ante*, rather than being penalised *ex post*.

The mainstream prescription for ensuring quality, by contrast, is to dictate procedures which are designed to ensure quality, and to install methods of inspection and report so as to ensure compliance with the procedures, and hence production of the intended quality. This accords perfectly with the recommendations, the reasoning and the practice of Frederick Winslow Taylor⁵, who was the evangelist of 'scientific' management, and a contemporary of Henry Ford. The alternative of giving people back the power to make decisions about their work, and responsibility for the consequences, with the means of foreseeing, detecting and remedying deviations from intended performance, is on the other hand in accord with more recent and more holistic notions of how people function, as for example found in the work of White⁶ on the importance to individuals of

⁵ Taylor (1911, 1947); see also the section headed 'The mainstream in its historical context', in Section III: Mainstream and alternative responses, below.

⁶ White (1959, 1964)

experiencing a sense of competence and effectiveness, and the work of Seligman⁷ on the negative experiences which were generated for people when their actions or choices were disconnected from the actions' consequences.

Tasks

Rather than taking a strictly limited and specialised task-definition for a particular job, and using only as much of a person as will fill it, the approach taken is to have people learn each other's jobs as well as their own, thus expanding their competence far beyond what is strictly needed for any one job. The job is expanded so that problem-solving at shop-floor level can become part of the task, and thus of the responsibilities, of those directly concerned, and so that they are able to take part in planning their own work.

When Bofors, who, like Volvo and Saab, are recognised pioneers in work-organisation, adopt a new method, it cannot but be taken seriously. There are, however, likely to be many more examples⁸, often not reported in publications. At the Hardanger Bakkeri in Norway, for example, everyone in the organisation, including the Director, can do many jobs other than their own, with consequences of greater flexibility, reduced vulnerability to staff absences, increased interest and commitment on the part of employees, and increased understanding on the part of managers of tasks undertaken at different levels of the organisation.

Second example: an inter-organisational response: sambruk

Another alternative response which has been developing in Sweden in recent years is known as 'sambruk', which means, roughly speaking, 'shared use'. The word is used to name a specific initiative⁹ taken in Sweden in the public sector, involving working across organisational boundaries. The purpose of the initiative has been to get better use of resources and improved service-delivery.

Sometimes the resource-sharing is direct. For example, when two adjoining local authorities found that their fire services were barely adequate to their own needs,

⁷ Seligman (1975); Garber & Seligman (1980).

⁸ Many other examples might be adduced; see for instance Bennett & Karlsson (1993).

⁹ Statskontoret (1991).

ample coverage for both areas was achieved by putting the two fire service facilities together where the two local authority areas meet, as a common resource. Sambruk arrangements may also involve matching one organizational unit's, or one person's, unused resources with another's un-met needs. This is done through local voluntary agreements, reached between the people who are in immediate control of the resources and those who have immediate need of them. For instance, to remove unwanted furniture from a building may generate the experience of a gain for the people who want to be rid of the furniture, and it may generate a different experience, but also of gain, for the operators of the training centre to which the furniture is taken for use as practice material for learners. The criteria used are cost-reduction and improved service-provision, which is to say efficiency and effectiveness.

Better use of resources and improved service-delivery — in other words, increased efficiency and effectiveness — are achieved not by doing away with resources, competence or jobs, but by making improved use of what is already there, as leading writers on corporate strategy¹⁰ now recommend. Sambruk might usefully be thought of as entailing two elements — one, the exploratory sharing of information, and the other the establishing of arrangements to cooperate in resource-use.

Decision-making

Sambruk requires giving local needs precedence over organizational boundaries, and it requires exchanges of information between those concerned. The former requirement was specifically sanctioned in the terms of reference for the activity¹¹. The need for exchanges of information has become evident in practice.

Decisions to share resources are made locally, both in the organisational and the literal or geographic sense. Discussions and subsequent agreements about cooperation in resource-use typically involve people from different units, departments or organizations. All agreements reached are directly between those who control and those who need the resources¹².

¹⁰ e.g Hamel & Prahalad (1993)

¹¹ Statskontoret (1991: 9) §2: Projektidé: 'Sambruk anlägger ett geografiskt perspektiv istället för en sektorssyn...Ortens behov och förutsättningar sätts före de sektorsbegränsade intressena.' — 'Sambruk establishes a geographic outlook in place of a point of view [defined by] departmental concerns... Local needs and opportunities are [to be] put before departmentally-bounded interests' [GW, trans.]

As cooperation is voluntary, by agreement, no central decision-making staff nor inspectorate needs be established. Existing organisations stay as they were, except that they choose to cooperate.

Information

Sambruk has evolved to be a local activity. Information is shared between resource-owners and 'resource-needers', principally through the offices of a person specifically charged with advancing sambruk arrangements in a locality, or for a public authority. Such a person serves as an 'information-broker', under the title of 'Project Leader'. He or she does not 'coordinate' in the sense of commanding, by telling people what to do or deciding and instructing how resources shall be allocated, and has power neither over the resources nor over the people involved. A Project Leader does not accumulate staff, other than a necessary minimum of secretarial help.

Responsibility

The parties to sambruk transactions need to decide between them who is responsible for what part of each joint venture, in the sense of who undertakes to do what, and how costs and revenues shall be allocated. Since they are not compelled to enter into arrangements which they do not want, and do not have power to punish each other, nor anything to gain by doing so, responsibility in the sense of blame and of consequent sanctions appears to be a non-issue for them.

Without materially altering each person's 'territory' in his own organization, sambruk offers wider fields of activity, and thus extension of responsibility, by making possible new cooperative arrangements with other units or other organizations.

Tasks

Since sambruk entails cooperation between people in different organisations, it might be thought of as a process of relaxing organisational border-control. It increases people's interactions with outsiders, and hence involves them in more

¹² Substantive research, in the form of orderly and thorough observation and analysis of sambruk transactions, is needed. Written reports, at the time of writing (= 1994 - 95), tend to be in terms of the actions which result from agreements, and the consequences flowing from the actions. Accounts of the interactive processes leading up to agreements have as yet mainly come from discussions at meetings and conferences, and from personal statements.

decision-making, with more opportunities for proactive planning and for working out imaginative solutions to problems. As sambruk arrangements are essentially local, to meet local needs, the social scale of people's work-environments is likely to tend towards that of a community, helping socially stabilising processes to function¹³.

Third example: a response to gross organisational changes: management of small group homes for a vulnerable population

In England, as elsewhere, one response to scarcity of money, and to a groundswell of opinion that large institutions are unacceptable as living environments, has been governmental initiatives to close large long-stay hospitals for mentally retarded adults (currently called in the U.K. 'learning disabled', or 'having learning difficulties'). The facilities which have replaced the large hospitals are 'small group homes', which are houses or groups of houses, sometimes purpose-built, in residential areas. The operation of the homes has lately been the subject of research¹⁴.

Each home houses only a few ex-patients and has a staff of carers attached to it. The homes are under the control of boards of management, called 'Management Committees'. Each board has a chief executive officer, called a 'Project Manager', who is responsible for a group of homes, or 'project'. Thus far, the organisational structure is a familiar one, to be found in any industrial or commercial company.

A striking difference between the managerial organisation of the homes and that of the organisations which they replace, and indeed between that of the homes and that found in modern industry, is that of scale. The Project Manager is to the board as a Managing Director or C.E.O. would be in any company, but because each project, or group of homes, is so small, his relation to the front-line carers is as close as that of a foreman or first-line supervisor. His task thus calls for an unusual combination of abilities and of managerial competences, for he must be able to deal with issues of policy, financial management, strategy, and relations with statutory authorities such as the Department of Health and the Social Services, and also be interested in a 'hands-on' relation to day-to-day operations.

In this situation an alternative to mainstream methods of management has been evolved by the director of the project in Boothferry, Humberside. Here a way of managing has been developed which involves frequent interactive contact with the staff and the residents who are the end-users of the service.

¹³ Wiener (1961)

¹⁴ Whitaker, Archer & Whitaker (1993)

Decisions appear to emerge in discussion. This is facilitated by the Project Manager's close knowledge of the staff and the users and the work, and by how the staff come to view the manager — that is, as a colleague, and not as a source of threat — and by how information is handled.

Information Rather than using the 'need to know' principle of restricting information to those who must have it, the practice is to make known to staff anything which is not for good reason confidential. They are thereby well-informed as to what management's views and problems are, and in a good position to make decisions in accord with management's outlook. There is thus a copious flow of information from management to staff, keeping staff informed of the reasoning behind management's aims and outlooks, and of the various pressures which management is having to respond to. By interacting freely with staff, and above all by listening to their views, the Project Manager is kept aware of their concerns and of the current state of operations. Both parties are thus well-informed of each other's viewpoints, and they keep up-dating by interaction. This is why decisions 'appear to emerge', rather than being made and announced unilaterally.

With copious interaction, formal channels are less than usually evident. Agendas, for instance, are constructed from items about which staff are concerned, written up by them on bulletin-boards as and when they feel so moved, rather than from formal submissions. In meetings, which are informal, issues are discussed which might well be ruled out of order as irrelevant if a stricter procedure of keeping to successive pre-planned agenda items were to be followed. If one were to think of this practice in conventional terms, it might well appear disordered. Alternatively it is possible to regard discussion of something about which staff are concerned, but about which they have not given notice in advance, as only an extension of the agenda-making process.

The frequent discussions about the work between manager and staff, including their current concerns and expectations, has the consequence that feelings and misunderstandings tend to be discharged or forestalled, rather than building up. Agreement on decisions is then readily reached.

Responsibility Indications in the course of the three-year project of research¹⁵ are that under this regime staff readily take responsibility, and are themselves active in sustaining and developing the quality of their work. Responsibility, in the sense of power, is delegated wherever it can be. Responsibility for the proper performance of the work is a preoccupation of the staff themselves. They are themselves active in maintaining and improving the quality of the services which

¹⁵ Whitaker, Archer & Whitaker , op. cit.

they provide. There are indications that the intrusion of a conventional quality-policing system from outside the immediate system is at least as likely to be counter-productive as useful.

Tasks The relation of one person's job to another's is part of the material of daily discussion, and overlaps and possible gaps are dealt with when or before they arise, then and there. Boundary disputes, over where anyone's work begins and ends, appear not to occur.

This way of managing — or, as one might equally well say, this way of working together — accommodates the complexities of the care task, assists staff to think out basic issues and to share views, and facilitates their responding sensitively to unique and sometimes unexpected situations. It tends to support a good quality of work-life for staff, who come to the view that errors can be learned from rather than being an occasion for being blamed, and to feel that the rewards attached to the job outweigh the evident stresses. Job satisfaction and commitment are supported.

When the Project Manager in Humberside had occasion to meet the Project Leader for sambruk in a Swedish local authority, the common elements in their outlook on management were evident.

This way of managing small group homes appears to resemble the Japanese practice of *nemawashi*, or 'taking care of the roots', by copious discussion of the work itself, with those directly concerned. Like the Japanese practice, it is to be distinguished from 'human relations', which are an add-on to conventional management, and which involve focussing on personal feelings and concerns. It is likewise quite different from what might be called 'internal public relations', or the attempt to 'make people feel' that their views mattered. Through discussion, decisions emerge, and are then put into action, with so little friction in their making and in their execution that the process can, like the Japanese decision-process, be mistaken for one in which no decision can be made unless and until there is complete consensus.. It is an alternative way of managing, focused on the work itself, in a joint effort of manager and staff to find what Mary Parker Follett called the 'law of the situation'¹⁶. The means of doing this are primarily interactive, with copious sharing of information about the specifics of day-to-day operations and the concerns which arise through them, and about the larger world of management.

¹⁶ Follett (1925 /1941).

III: Mainstream and alternative responses, as seen from various points of view

The mainstream response as seen by mainstream upper managers and consultants

The beliefs and assumptions of the mainstream are so embedded in people's thinking, by history and by convention, that they seem like simple reality. Those who are in accord with the mainstream response take its benefits as self-evident, and are not accustomed to recognising its costs. The rationale for the mainstream response includes a number of assumptions: that the elimination of less directly productive elements is bound to be a contribution to economic efficiency; that shorter lines of command, in the sense of having fewer layers of management, will give better control, so that local deviations from the policies necessary for the organisation's success can therefore the more readily be done away with, and that the need to ensure efficiency whilst maintaining quality on the one hand and preventing waste on the other, demands careful monitoring. Upper management and their advisers understand the changes to constitute a new management movement which increases efficiency and effectiveness by innovations, such as 'down-sizing' and 'de-layering', for which new names are needed.

The mainstream in its historical context

Another way of understanding mainstream responses to scarcity, still in the context of mainstream management thinking and practice, is to set them in their place among the larger movements and longer-term developments in organisation and management — which is to say, in the context of the plainly visible and well-documented history of present-day mass-production. Seen in this context, the expedients of today's mainstream management are not discontinuous innovations, but simple extensions of long-established management doctrines and practices.

Mass production is a matter of achieving the economies of scale, which is to say those savings which can be achieved by doing or making many things in exactly the same way, without having to re-set machines or to select and adjust parts. Local differences, with their consequence of local decisions to be made, are to be obviated. For this to happen, parts and operations must be interchangeable — for

example, if every bolt-hole is a different size, and if operatives have to seek around for the one bolt which will fit each, then there are no savings made from fitting many. If every bolt is like every other, then any bolt will fit any nut or hole. Assembly is then quicker and cheaper, and great numbers of bolts etc can be produced

There are then economies at both ends. At the bolt-production end, exactly similar machines can be set up to produce large quantities of exactly similar bolts, and the cost of making bolts thereby reduced. At the bolt-using end, operatives don't have to search around and choose a suitable one, nor do they have to adjust bolts to suit the peculiarities of local conditions. Not only bolts, but bolt-production and bolt-using are simplified and standardised.

The same reasoning is applied to decision-making. Centralised decision-making is a means of making economies by reducing the choices made at the point of application. Time is saved by stopping the making of decisions by many non-specialists, at the point of use. Instead decision-rules are made by a few people at the centre or top. Because these people are specialising in making the rules, they will have a lot of practice and experience in doing so, and moreover they can be chosen for their suitability for the that particular task.

At the user end, instead of having a myriad people out at the periphery making decisions in light of their own knowledge and of local circumstances, only obedience to guide-lines — which is to say, to decisions made by specialists at the centre — is called for.

The reasoning outlined above may be found clearly presented in the work of Frederick Winslow Taylor, writing in the early years of the twentieth century. His first intention was to reduce the antagonism of interest between management and workers, yet he implicitly took the notion of person-as-instrument for granted, removing choice from those who formerly had it, and having them instead execute the will of others¹⁷. He never spelled out this assumption in as many words, but he evidenced it abundantly in advocating the gathering in of all the information which he conceived of workmen as having, and its use by an augmented force of management to make the decisions which the workmen had until then made: 'The managers assume...the burden of gathering together of all the traditional knowledge which in the past had been possessed by the workmen and then of classifying, tabulating, and reducing this knowledge to rules, laws and formulae...'¹⁸. He categorises this activity as being 'immensely helpful to the workmen in doing their daily work', and refers to its use in teaching and training; however,

¹⁷ e.g. Taylor (1911 / 1947).

¹⁸ Taylor *op. cit.*, page 36.

he goes on then to describe how management should issue instructions describing in detail not only tasks but the means to be used in doing them. For instance, the well-known case of Taylor's interaction with Schmidt, the pig-iron handler, has him prescribing the man's movements in total detail, saying to him: 'When this man tells you to walk, you walk. When he tells you to sit down, you sit down, and you don't talk back to him...'¹⁹.

With a new vocabulary and new titles his ideas are being extended, as the modern commercially efficient way of managing, into ever new fields, such as for example medicine and higher education. What is new or novel is only the fields of application. The 'new management' of the mainstream makes complete sense if interpreted according to the logic of Taylor and of Henry Ford, respectively the pre-eminent early advocate and the early practitioner of mass-production organisation.

It is not far-fetched to assert that the principles of the assembly-line and all that goes with it are currently being implemented in diverse organisations, not all of them manufacturing organisations. For example, a colleague recently was interviewing a number of people for a job in a social service-providing organisation. She was required by the personnel department to ask all candidates the same set of questions, regardless of what the different candidates brought to the interview, and regardless of lines of inquiry suggested by what candidates said. This was in the service of 'fairness' and 'equal opportunities'. Choice and local option was thus removed from her. Choice was instead held by people nearer to the centre of the organisation, who were not present at the time of the contact between interviewer and interviewee. What was to be done was decided from a distance, at another time, rather than in interaction with events as they unfolded.

One might well adapt the old tag to read 'Si futura requiris, circumspice' — if you want to see the future, just look around you, at what is already there. What is new in 'modern management' is not the ideas, nor the actions, but the language.

The mainstream as seen and experienced by mainstream lower managers and workers

One can also look for a view of the mainstream from another population, namely that of people who work in organisations which operate in accordance with the principles and precepts of mainstream management, but who are not amongst those who gain more power through the mainstream response to scarcity. In health, education, social welfare, and in private businesses of diverse kinds, one

¹⁹ Taylor (1911 / 1947 *Principles*: 40 - 48).

hears from people who see requests for the many returns and reports which upper managers demand so as to ensure compliance with directives, as ever more time-consuming distractions from doing their work. A prudent person who is working in a mainstream needs to give priority to the report forms, inspections, questionnaires, scoring systems etc which management generates, over the organisation's external goals. In a person's strategy, as in that of an organisation, survival must be the first strategic goal. When upper managers become the pre-eminent threat, the prudent man therefore first and foremost pays attention to them, and to warding them off. This is the effect seen in Heller's character Yossarian²⁰, in relation to his superior, Colonel Cathcart, and the attitude of British survivors of the battle of the Somme in 1916, who late in life still saw their commander, General Haig, as having been their real opponent.

Observation and report appear to indicate that people in subordinate or front-line positions find that as power and decisions are centralised, so the assumptions of the superior or central decision-makers become increasingly unrealistic. They find that the mainstream response is to increase the issuing of rules, with increased reporting, supervision and inspection to ensure conformity with the rules, and more numerous penalties. Additional tasks, having no evident relevance to the work, are thereby imposed. Stress and anxiety, under the fear of sanctions, are increased. All of this detracts from the attention and energy available for the work itself.

The mainstream, as seen by those with experience of the alternatives

Workers at Bofors were asked what differences they find between their present workplace and others which they have known, rather than 'how does mainstream management and organisation appear to you?'²¹. To this inquiry they responded that they now experience having no one make decisions about them, and that they are involved in what they are doing, and take initiatives and solve problems. They say that through being involved, and through taking responsibility for their own planning, their job-rotations schemes, their workplace itself, and the quality of their own work, they feel free. They add that it is when one cannot, or is not let, take responsibility for oneself that one is not free.

They go on to say that in their present situation, by contrast with their other experiences, they have the possibility of continually developing and expanding their capabilities, even at difficult times. They find their work no longer 'one-sided',

²⁰ Heller (1962)

²¹ Wennberg & Hane, *op. cit.*

and do not feel locked-in to a particular task. They express the view that everyone gains from rotation.

Turning to look more directly at their experience of other regimes, they go on to say that 'it is the attempt to control other people which leads to cheating, and thereby to lower productivity'. They point out that if someone else is to decide the details of how people are to act, he must over-control them, which places unnecessary requirements on them and leads to ill-feeling. They say that, in contrast with their mainstream experiences, they are not afraid, because they have set up their work so that they are not in competition with one another, but rather they 'compete' in the sense of doing good work — which is to say, they each seek to excel — without generating errors or making trouble for one another. There is, they say, no passing-on of blame when anything goes wrong.

They say that they do not think in terms of 'territory', or job-demarkation lines, which they would have to do if they had to pay attention to defending themselves. Consistently with this: they do not withhold information one from another, but share it. They take great satisfaction in having gained such expertise that they can make worth-while contributions to discussions on new designs and new production.

From the foregoing can be inferred their views about their own experience of working in mainstream organisations.

As to sambruk: in interviews, meetings and discussions with individuals and groups active in sambruk, comments and judgements on the mainstream response have been strikingly absent. One reason why these people are less than preoccupied by mainstream response characteristics is that they are themselves not feeling the severest pressure of such measures. They have been given scope to take more initiatives, rather than less, in response to scarcity. They do not have to defend themselves against the interventions of their own superiors. They do not see themselves as challenging or threatening the practices of the mainstream.

The alternatives, as seen by mainstream upper managers, consultants and others

Both the Bofors initiative and sambruk are preeminently extensions of local initiative. Mainstream management tends to view local goals as actually or potentially ill-aligned with organisational goals. Indeed, 'local rationality' is taken to mean some course which looks rational and well-aimed when seen in the context of local views, but which may be irrational and ill-directed by the standards of higher-level organisational goals. On this ground also, then, to augment local making of decisions when resources have become scarce is contrary to main-

stream doctrine. The mainstream view, then will be that local choice is a luxury, a diversion of resources from an organisation's purposes, which cannot be afforded when times are hard, and so is likely to be counter-productive or inappropriate.

The mainstream practice of splitting-off parts of an organisation to be financially free-standing, or at least required to generate revenues for their services, requires that prices be set and charges made for goods supplied and services rendered, wherever possible. The alternative of making unallocated resources available without charge, so far as possible, runs counter to this, and so must surely appear to mainstream observers as being contrary to good economic sense.

Allowing decisions to be made at the periphery of an organisation is likely to be seen as inappropriate and risky by mainstream managers. The argument runs: efficiency and effectiveness, or cheapness and quality, are clearly of importance at any time, and the more so when available money is scarce. Decisions affecting efficiency and effectiveness are of strategic importance to the organisation. Strategic decisions are taken by commanders, whether military or civil, and it is the lot of their subordinates to execute the required tactics. By this view, in times of stringency it is from the mainstream point of view patently absurd to allow decisions having strategic implications to be taken at the local, tactical or lower levels, where activities should be confined to conforming in approved ways with strategic plans made higher up.

The Bofors initiative involves cooperation across boundaries within the organisation, at the interface between worker and work. It does not appear to attract unfavourable comment. Where the cooperation is between organisations, and has visible consequences at the interfaces between organisations and the users of their goods and services, there is a stronger reaction from mainstream thinkers.

The mainstream position on cooperation between organisations which serve the public appears to be either to condemn it as a conspiratorial activity, or to declare it a non-event.

Konkurrensverket, the statutory authority in Sweden which is charged with safeguarding competition, by combatting monopoly and restraint of trade, has taken serious exception to cooperative, rather than competitive, transactions between people from different organisations in the public sector²². The assumptions on which their adverse view is based seem to be that the interests of consumers are best safeguarded by contest and competition between suppliers, and that if two suppliers of goods or services cooperate, they are likely to be

²² Konkurrensverket (1994).

conspiring or colluding — which is to say, cooperating so as to do damage to other suppliers or to consumers, or to both. Seeking to benefit the public through cooperation is an alternative to competition as a route to the common good, and calls into question the basic assumption that competition is the best and only route to such good.

As to sambruk as a non-event: it is readily to be seen that in small villages, out in the forest, and scattered settlements on the islands, and even whole townships up the fjords, sharing unused resources is common, and indeed makes a hard life livable. It is possible to avoid taking sambruk seriously if one declares that resource-sharing is just a charming survival from an earlier age, persisting only in out-of-the-way rural communities where economic necessity, modern thinking, and modern organisation still have not penetrated.

Resource-sharing and boundary-crossing may then be dismissed as insignificant in the real world, as being mere leakages across organisational boundaries — in one instance across the boundaries of jobs, and in another across those of departments or organisations. They may then be seen as a meaningless hodge-podge of local expedients — as one might say, instances of 'May I borrow a cup of sugar?', or 'I'll lend you my axe' interactions — and so of no organisational significance.

It is thus possible to respond to sambruk by dismissing it as merely an 'informal way to solve resource-use problems', and in effect a phenomenon of 'the village problem', whereby people in little communities out in the sticks help one another out at harvest-time or tree-felling time. This conveys that what is not mainstream organisation and management is simply not organisation and management at all. Such a view about Sambruk can be maintained despite the fact that functionally identical processes can be seen operating in high-technology industry and in the public enterprises of one of the most advanced economies, with consequent saving of money. That such a view is maintained suggests that it functions to avoid seeing sambruk as an intellectual and practical challenge to accepted ways of thinking and acting about management and organisation.

To those for whom the mainstream response is right and its reasoning inevitable, then, the alternatives will be likely to present as a mess of irrelevant courses of action, of which some are undesirable and some are downright wrong-headed, and all of which together are unsustainable by any coherent doctrine or outlook.

IV: The need for a language and a coherent body of theory to describe alternatives to the mainstream response

There is as yet no coherent and consistent 'management-and-organisation' viewpoint for the alternative ways of managing and working described here. There is nothing comparable either to the new language of the mainstream's 'new management', or to the old-established explanations and practices of mass-production which function to underpin and to justify it.

The established ideology of mass production, whether in new or old language, offers no possibility for mainstream managers to make sense of the alternatives, and hence no assistance to perceiving them as serious options to be considered. The lack of a means of thinking and speaking of their own practices in terms other than those of mainstream management is surely a hindrance to practitioners of the alternatives, in appraising their own actions both on their own and as compared with mainstream options. Both for mainstream managers and for those involved in alternatives to mainstream methods, then, it seems desirable that there should be some way of understanding both mainstream and alternatives by use of ideas drawn from outside either.

V: Sources for a frame of reference for looking at both mainstream and alternative patterns of action, derived from neither of them.

Up to this point we have been describing organisations' responses to hard times, and have assembled a rough picture of the 'mainstream' response and of an alternative to it. We have already remarked on the virtual invisibility of the alternatives, when looked at from within the mainstream frame of reference. Mainstream axioms and theories and assumptions are so prevalent and so pervasive as to be, for mainstream people, a self-evident part of the way reality really is, rather than a way of interpreting and thinking about events.

It therefore seems desirable to devise a way of 'stepping outside the chalk circle' of the mainstream world-view, in order to be able to look both at mainstream and other ways of managing, by use of ideas not deriving from that same world-view. To this end ideas are presented from the theory of games, from cultural anthropology, and from the logic of war and of strategy. They all bear on winning and losing, in one way or another. They will be examined as to who wins and who loses what, not only in simple games but in whole cultures of particular kinds and in wars.

1: The theory of games

'Win-lose' and 'win-win' transactions Mathematicians²³ have studied the choices of 'strategy' or policy open to people when playing games, for instance card games played against opponents, and have then studied situations of similar structure which are not games, such as war and economic competition. The logic by which they have sought to clarify the options open to people in such situations, and the consequences following from choice of particular options, is commonly referred to as the 'theory of games'.

'Zero sum' games A zero sum game is one in which what one player wins is what another loses; if one wins, the other must lose. In a game such that what the winner wins is what the loser loses, the algebraic sum or total of the amount which the

²³ Notably John von Neumann and Émile Borel; see Heims (1980) and Vajda (1956). For a short and lucid summary, see Heims (1980: 85). For a more extended treatment, see Bacharach & Hurley (1994).

loser loses (reckoned as negative) and the amount which the winner wins (reckoned as positive) is zero — hence the name 'zero sum'. The total of the assets of the players remains unchanged, and what the game has altered is the ownership of the assets, not their amount. The winner has gained, and so now owns what the loser has lost. This is true of most card-games, and it is true also of contests for money, prizes, the glory of being the only winner, etc.

A zero sum game is 'a paradigm for a purely competitive situation'²⁴. Charles Darwin, writing in the nineteenth century, gave as an example of competition in the animal world a struggle between two dogs, to settle which one of them will get a single scarce piece of food: the winning dog gets the piece of food, and the loser loses it. Heims²⁵ refers to this example as 'a zero sum two-dog "game"'.

'Win-lose' Since in a 'zero sum' game one player's win is at the cost of the other's loss, such a game or interaction can also be defined as 'win-lose', because what one wins is what the other loses.

'Positive sum', or 'win-win' A transaction in which one party gained whilst the other did not lose would be 'positive sum'. If one looks beyond games, then 'positive sum' transactions are ones in which 'winning', in the sense of gaining, does not necessarily occur only through defeating an opponent and inflicting losses on him. The theory of games recognises the possibility of 'non-zero-sum' games, where for instance 'the value which the buyer attaches to the goods which he acquires is higher than the price paid, whilst the latter is at least the value attached to the goods by the seller'²⁶.

Within the theory, the complications which this possibility introduces can be reduced by treating a non-zero-sum game between two people as formally equivalent to a zero-sum three-person game, with the assumption that any difference or discrepancy between the values which the two contestants attach to winning or to losing is paid to (or is paid out by) the third player. The third player has no other function in the game²⁷. This procedure can be used so as to reduce real-world situations in which people set different store on winning (or on losing), leaving the interested theoretician with a 'pure' game, from which people's differing values have been set aside by the device of a notional third player. When

²⁴ Heims, loc. cit.

²⁵ Heims, loc.cit.

²⁶ Vajda (1956: 4).

²⁷ Vajda (1956).

transposing ideas from the theory of games to interactions in organisations, however, we need not to set aside, but to keep clearly in view, the values or meanings set on outcomes to those who gain or lose by them.

There are many transactions and interactions between people or groups, in which nobody loses and some or all participants gain. For example, if a group or expedition of people are hill-climbing together, all can 'win', because all can achieve their goal of climbing the hills. Other examples would include exchanges of various kinds, including exchanges made for money, where both parties are well satisfied with what they have gained, and neither has gained at the expense of loss to the other.

In win-lose games, 'to win' means to gain, and it necessarily also means inflicting a corresponding loss on one's opponent. For win-win situations only one of these two meanings is necessary. 'To win' need only mean 'to gain'. It does not have to mean also 'inflicting upon someone else the losses which provide one's winnings'.

It is probably unhelpful to think of win-win interactions as 'games'. Most, if not all, games are win-lose, and 'game' usually means a win-lose encounter in a contrived or 'artificial' situation in which two or more people compete against one another within agreed rules and conventions. The idea of 'win-win' is unlikely to be encountered in thinking about games, except in reference to the cooperative interactions between members of the same team or side.

Non-game interactions Many non-game sports, and many other interactions, are or can be win-win. If two people who go fishing choose not to compete, then both can 'win', in the sense of gaining whatever they each catch, though neither then 'wins' in the sense of defeating the other fisherman. Simple economies of scale, or technical functions such as one person acting as a catalyst to the other, may also mean that two or more may, by working together, generate more winnings than the sum of what they could have produced each alone, and may moreover do so without necessarily either incurring or inflicting losses. For instance, two people involved in a non-game activity such as setting and raising a net together may catch more fish than they would separately, and may be quicker or safer too.

Other differences between pure games and the complex real world also need taking into account when extending such game-derived ideas as win-win to non-game applications. Non-game situations are, for instance, often not purely win-win or win-lose. A person may win something and at the same time lose something. Winning and losing may need redefining: the points in terms of which a game of cards is scored are established by prior convention. More points means a gain, and

fewer points means a loss, and the relation of points to the events of the game is pre-determined. A single outcome has a single points-value.

In non-game situations, on the other hand, there is no generally applicable convention as to what is a gain and what is a loss. When the idea of win-win and win-lose is used in non-game situations, such as the mountain and the fishing, gains and losses therefore need to be reckoned in terms other than points scored. Suppose something which one person wants rid of is shifted over to someone who wants it. It makes sense to reckon that not having it is a gain for the first person, and having it is a gain for the second person. The change in total assets is zero, but the total gain, with benefit reckoned as positive and disadvantage reckoned as negative, is positive. What is different in the 'calculation' of gains or losses is the preferences of those concerned, and the values which they place on specific outcomes for themselves.

When applying these ideas to organisations it is prudent, then, to reckon 'costs' and 'benefits' in the terms of those who pay the costs and those who reap the benefits. Win-win interactions can occur, in which the ownership or use of some resource changes, with the experience of gain by the new owner or user, and no offsetting experience of loss by the former owner or previous sole user.

2: Synergy and non-synergy in cultures and societies

From an entirely different realm, Abraham Maslow²⁸ sought a way in which to think about transactions and interactions which are characteristic of certain cultures or societies, when examining the impact of cultures on their members.

He quotes the cultural anthropologist Ruth Benedict as using the term 'synergy'²⁹ to describe actions which at the same time serve a person's own interests and the interests of a larger social group: doing things which are of advantage at once to self and to other. 'Synergy', the Greek 'συνεργός', simply means 'samarbete', with the further connotation of 'to unite'. Referring to cultures and to their characteristic patterns of interaction, Benedict distinguishes on the one hand those with 'low social synergy', where people's actions are mutually opposed and counteractive, and where the advantage of one individual becomes [= derives from] victory over

²⁸ Maslow (1964).

²⁹ He credits the first use of the term in the present sense to the cultural anthropologist Ruth Benedict, in 'lectures which she gave at Bryn Mawr College in 1941', the manuscript for which was lost except for sections which he had caused to be transcribed. See also Harris (1970) and Benedict (1970).

another, and where those who are not victorious must shift as best they can. On the other hand she distinguishes cultures with 'high social synergy', where people's actions are 'mutually reinforcing', which is to say that one person's actions augment not only his own advantage, but that of others also. Such interactions might equally well be thought of as 'win-win'. A culture with low social synergy could be called a 'win-lose' culture. A culture with high social synergy could be called a 'win-win' culture. Maslow also defines the former pattern of culture as one in which 'action is mutually opposed and counteractive', and with Benedict he notes that such cultures are characterised by pervasive insecurity, anxiety and aggressiveness³⁰.

Benedict refers to social processes which 'guarantee that wealth attracts wealth', which are characteristic of low social synergy cultures, and which contrast with the processes by which wealth is spread around in the high synergy cultures. Benedict's comments may be elaborated by equating wealth with choice, and lack of choice with poverty. Choice, moreover, is power, and power is choice. In organisations, from the state on downwards, concentration of power — which is 'low social synergy' — gives the power to take more power.

3: War

The theory of games has long been applied to economic decision-making and to war, which is to say, to contests which are manifestly not 'games' or amusements at all. If one were to look to the theory's subsequent applications, rather than to its point of origin, it might appropriately be re-named 'the theory of contests', for one of the dictionary definitions of 'contest' is 'a struggle for victory between opposing forces or interests'³¹.

It may at first sight appear that war and organisational transactions have little to do with one another. War involves guns, bombs, battles and the like, whilst organisations mostly do not. However, what is of interest here is not the machinery of war. We are not concerned with the 'nuts and bolts' of it, which is to say its peculiar means, which distinguish it from other activities, but with what it may have in common with other 'traffic', both political and organisational.

That great thinker on war, Carl von Clausewitz, said 'Der Krieg ist nichts als eine Fortsetzung der politischen Verkehrs mit Einmischung anderer Mittel', which is to

³⁰ Maslow (1964: 4ff).

³¹ Harper Collins (1991: 346).

say, 'War is nothing but a continuation of "political trafficking" — or as one might nowadays say, political interactions or transactions — 'with [an] admixture of other means'³².

This is evidently not a statement of what war 'is', in the sense of what typically goes on in wars, which is to say military activities, i.e. the use of military means. It is best understood as a statement about what war 'is for', which is to say the ends for which war is used, or which war brings about. The question 'What are wars for?' means 'What is meant to be gained by war?' So, what, logically speaking, is 'winning', and what is 'losing' in war?

Recognising war by its outcomes, and hence by its function, rather than its means: war, decision-making and power. Wars are waged so as to make decisions, such as 'Who shall live here?' and to gain power — i.e. to determine who shall make decisions — for instance, to settle who shall henceforth govern Alsace, or Poland. The loser loses the power to decide. The winner gains from him the power to make decisions which the loser would else have made.

An extreme instance or limiting case is that of Germany at the end of the Second World War. The Allied powers would not cease their attacks unless the German surrender was unconditional — which is to say, unless all powers of decision were yielded to them.

Another extreme case is what happened to peoples defeated in war in the ancient world³³. Those left living were sold into slavery. This meant that thenceforth they too could make no decisions, even in the detail of their personal lives. They became instruments of the will of others, and were dealt with as having no purposes of their own³⁴.

So, when the fighting and the shouting is over, and all is said and done, then, by whatever ancient or modern processes or means, the fundamental outcome for the losers of a war is their loss of the power to make decisions. Winners are likely not only to gain their will in respect of certain particular decisions, but also to win the power to decide who shall thenceforth make decisions.

³² Von Clausewitz (1832 / 1962).

³³ Boak & Sinnigen (1965); Cæsar, (50 B.C. / 1706); Frere (1969); Salway (1981).

³⁴ Jowett (1857: I.4.§2); Rackham (1972: 1253b §4).

War and non-war: Returning to Clausewitz's dictum that 'war is nothing but a continuation of "political trafficking with [an] admixture of other means' — now, for 'other means', read specifically 'military means'. His logical equation then reads: 'War = Political Trafficking + Military Means'.

If so, then: 'War minus Military Means = Political Trafficking'; which is the same as saying: 'Political Trafficking = War, with its "Military Means" subtracted'.

The foregoing reasoning may be summed up as follows: War is only ordinary 'political trafficking', but with military means added. This means that ordinary 'trafficking' fulfils the same function as war, but by other means.

For this to be so it needs be established that the function of war — the ends, outcomes or purposes for which it is used — are like those of the 'ordinary trafficking' in question. It has been put forward above that wars are fought to abrogate and and take over the opponents' power of decision-making. As said earlier, there is copious evidence that many interactive processes occurring in organisations perform the same function, namely of abrogating powers of decision.

The intra-organisational and inter-organisational processes which are used to achieve these outcomes, are 'peaceful' in the sense of having nothing of military panoply nor bloodshed. They are also frequently accompanied by glosses which instruct that they are to be seen as peaceful in process and benign in intent. They are nevertheless functional equivalents of war, for they accomplish the same ends.

VI: Propositions selected or developed from the sources

The following propositions may be selected or inferred from the foregoing:

From games and non-games: winning and losing

- Transactions and interactions between people may be distinguished by who ends up gaining and who ends up losing what.
- Some transactions and interactions between people take the form of contests, in which one gains what the other loses. Such transactions may usefully be denominated 'win-lose' transactions.
- Transactions and interactions may alternatively be such that neither party experiences loss, and gains are not at each other's expense. Such transactions may conveniently be denominated 'win-win'.
- For both or for one of those concerned in an interaction, there is frequently the possibility of choice whether to make it 'win-lose' or 'win-win'. Beliefs and assumptions, both explicit and unrecognised, may make it appear that there is no such choice. (A function of the present paper is to help make it evident that there *is* choice.)

From consideration of win-win and win-lose cultures

- Win-win, or win-lose, interactions may be prevalent in a culture. This is true of ethnic cultures and of the cultures of particular organisations.
- Cultures or sub-cultures may have overlapping membership. A person may for instance be part of a win-lose culture at work, and a win-win culture in his home neighbourhood or village. In an organisation, a person may be a member of a win-win culture amongst his peers, and in a win-lose relationship with his superiors or subordinates.

- There is ground for expecting that the habits of mind and of action of a win-lose or a win-win culture may be transmissible from one setting to another, by people's learning ways to deal with one another in one setting and deploying such ways in another. For instance, experiences at work may generate feelings which are expressed at home, or elsewhere in the work-setting.
- A prevalent form of interaction may be so unquestioned as to seem unquestionable, like a fact of nature.
- Managers from different organisations interact with one another, and may be thought of as constituting a managerial culture spanning many organisations. The preconception that managing is inevitably or 'naturally' win-lose can become prevalent in this larger culture.
- Questioning the assumptions of a win-lose culture would upset a whole view of how people function and how the world works. Such questioning will be a disturbing experience, and therefore one which those concerned may be expected to avoid. This will be true not only of the winners, but is also likely to be true of those many losers who adhere to the win-lose interpretation of events and accept the inevitability of win-lose arrangements. Losers tend to learn winners' world-picture, even though it may work to their disadvantage. It may be more disturbing to them to relinquish the apparent certainties of that world-picture than to bear with their own continuing failures or losses.
- If acceptance of assumptions and of beliefs as to the proper courses of action is widespread, and acceptance has become unquestioning, then such unquestioning acceptance will sustain belief and make it more widespread still. The whole system will look both right and true to those who accept it, be they winners or losers. Its assumptions will either be unperceived by members of the culture or will be seen as simple 'facts', and not as optional, open to question and to replacement in light of considering their consequences. The stability of such a shared belief depends on not acknowledging, and so not questioning, its assumptions.
- If a culture is predominantly win-win, there will be little motivation to change it, since all are gaining.
- If a culture is predominantly win-lose, then the winners will not want to change it and the losers will not see how to. Both winners and losers may take the nature of the culture for granted.

- In light of a pervasive faith in the tenets of a win-lose culture, alternatives will tend to be regarded as being trivial, or irrational, or wilfully harmful departures from right thinking.
- Believers in the prevalent view, like members of any faith, may be expected to seek to extend the dominion of their beliefs. The machinery of central decision-making, top-down direction in increasing detail, and inspectorates and reporting systems is likely to spread far beyond the mass-production factories where it was bred. School education and higher education in England provide examples.

From a consideration of war

- As to war: reflection upon the function, rather than the methods, of war supports von Clausewitz's belief that war is only ordinary political interactions with the addition of [military] means. From this it can be inferred that transactions which accomplish the same ends as war, on whatever scale, are functionally equivalent to acts of war, only without the weapons.
- Reflection upon war further shows that the fundamental end which it is used to accomplish is the interdicting and taking over of others' power to make decisions.
- The predominating response of mainstream management to scarcities is to replace local autonomy by central control, concentrating decision-making in fewer hands. This interdicts and takes over others' power to make decisions and so is functionally equivalent to acts of war. It is an adversarial process or win-lose contest, with power of decision as the stake.
- Conversely — that is, by applying ideas from organisation dynamics to war — war is a process of re-organisation, by which local autonomy, previously exercised by the losers, is replaced by central control (i.e. control by the winners).
- Organisational processes which accomplish these ends fall within the category of 'war, without visible weapons'. They may therefore properly be denominated 'adversarial' processes — which is to say, hostile or win-lose, without necessarily involving hatred or weapons.

Further consequences of win-lose transactions for those who win and those who lose, and for the organisation

- The feelings which those who are party to a 'win-lose' transaction, in which power to take decisions is lost by one and gained by the other, are, for the winner, satisfaction, and for the loser, deprivation. The winner will feel to be in a better position than before, and the loser in a worse position than before.
- The winner will experience augmented effectiveness, which reinforces identity and hence confidence and a sense of competence³⁵. The loser will be likely to experience diminished effectiveness, and thence some measure of helplessness, with subsequent depression and anxiety, reduced energy, identity-disturbance, and reduction of exploratory initiatives³⁶.
- Winners may attend to the consequences of their actions, or they may select from them, noticing only some of them. They may accept and value the immediate economic consequences of their actions, and disown responsibility for other consequences.
- The loser may perceive himself as having been defeated or got the better of, and so may feel cheated and resentful. He may then choose to treat whoever has worsted him as his prime adversary, and give priority to defending himself and to regaining whatever power he can.
- He may vent his feelings in ways which are not deliberate, for instance through accidents, mistakes, grievances, quarrels and disputes, deliberate and non-deliberate absenteeism or lateness.
- A further effect of the preaching of win-lose as the best, the only, and the natural way, is that the choice between win-lose and win-win is lost sight of. Doctrinal 'reasons' for the prevalent faith become highly visible and familiar, whilst the possibility of alternatives does not.
- One of the precepts of corporate strategy is 'First recognise and face threats, so as to survive'³⁷. This precept, however, guides the action of virtually everyone, whatever place they may occupy in an organisation. The

³⁵ White (1959; 1964).

³⁶ Seligman (1975); Garber & Seligman (1980).

³⁷ See for instance Ansoff (1984); Pascale (1990).

assumption that people will not act upon it will only hold true of people who are too dedicated or too foolish to know a threat when they see it, or who are imprudent enough not to give it their full attention.

- Penalties and prices attach to non-observance of instructions and to non-completion of reports and returns. A person's progress in the job, and indeed his economic survival, depends on avoiding the penalties. The prudent person needs to give priority over all else, including the organisation's goals, to meeting the demands of the report forms, inspections, questionnaires, scoring systems and inspectorates which management generates. These measures, which are installed so as to ensure good performance, may therefore be expected to supersede good performance as goals to be achieved. Since economic survival is at stake for the individual, the work itself, and the interests and goals of the organisation, logically should take second place to visible compliance with the requirements of management's monitoring system.
- Mainstream management, like the 'scientific' management of which it is a descendant, is thus likely to be less effective than might at first sight appear. There is a further consequence which may prove yet more serious in the long run. This is the shift which it may promote in a wider culture — for instance, regional, or national. By imposing a day-long experience of win-lose, together with copious explanations of how beneficial and inevitable it is, it may teach people to regard it as 'natural' and unavoidable. The more that the alternatives can be dismissed as incoherent and trivial, the more likely is it that mainstream thinking invade other areas of life, where win-win interactions at present prevail.

Summary: the mainstream and the alternatives

- Scarcity may be an inevitable fact of nature. Mainstream management is not.
- Mainstream management is adversarial, since it entails win-lose encounters, with the power to make decisions as the stake. The alternatives which have been discussed are predominantly win-win, and hence non-adversarial.
- Mainstream management involves using people predominantly as the means of carrying out the will of their superiors, and hence as instruments, not functioning as complete persons. Mainstream management is thus instrumental.
- The alternatives have in common that they involve substantial exchanges of information and of viewpoint, with participants in the exchanges listening to each other and recurrently modifying their positions as they learn more from each other. They are therefore interactive. In contrast, mainstream management issues instructions and requires reports, but does not entail plentiful interaction about the work with those who are doing it. It is thus, by comparison, non-interactive.

No single name will indicate the manifold characteristics, beliefs and processes which together form the common elements of the alternative ways of managing. It is nevertheless high time that a name was adopted. If so, it were better that it be declarative, defining the alternatives by referring to something conspicuously present in them, rather than defining them by reference to what is absent from them — as, for instance, by calling them ‘non-adversarial’, or ‘non-instrumental’.

As said above, the alternatives differ from the mainstream, not only in their being non-adversarial and non-instrumental, but also in the matter of information flows, information exchanges, and decision-processes. Where the mainstream makes great use of the one-way action of telling or commanding, the alternatives have in common that they involve recurrent exchanges of information, in which each party can speak and be heard, and in which each takes notice of and is influenced by

the other. Such processes are of course common in non-managerial life, and are generally referred to as 'interactions'.

I therefore propose to identify, and henceforth name, the principal alternative to mainstream management as **interactive management**. 'Interacting' is to be understood as 'involving mutual and reciprocal exchanges of information so as to learn others' viewpoints, to share own viewpoints, and to amend them recurrently in light of the information exchanged'. It does not mean 'frequently telling and frequently getting reports from'.

Mainstream management procedures, which are exemplified by but not restricted to responses to scarcity, have a well established and hardly questioned rationale available, supported by beliefs so prevalent as to seem not like questionable assumptions but more like facts of nature. Interactive management, by contrast, tends to lack any explicitly formulated rationale or underlying theory, having emerged as pragmatic local responses to locally experienced problems.

If interactive management — whose various forms are alternatives to mainstream management — is to be taken seriously, and not simply dismissed by mainstreamers as mere trivial or mischievous aberrations from the canons of good management, a framework of ideas is needed to depict, explain, and form a reasoned rationale for this alternative form of organisation. It is furthermore desirable for those already practising interactive management to have available to them a coherent assemblage of theory, so that they may the better perceive the workings of their actions. This can enhance day-to-day working, and it can open new possibilities for proactive initiatives — in effect for developing not only constructive responses to events and opportunities, but proactive strategies.

The present paper is intended as a contribution to such a framework of ideas.

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NAGOT OM INNEHALLET

Med utgångspunkt från studier av ett antal framgångsrika alternativa samarbetsformer har Galvin Whitaker kunnat observera två kvalitativt olika handlingsalternativ när det gäller att hantera och effektivt ta tillvara på de allt mer begränsade resurserna som står organisationer till buds. Den traditionella varianten känns igen på en visserligen allt plattare organisation men också mer kontroll och mer specificerade instruktioner, mer rapportering, fler inspektioner och allt mer omfattande utvärderingar.

De alternativa arbetssätten känns igen på det motsatta förhållandet; människorna i organisationen erbjuds valmöjligheter i sitt arbete och kontrolleras i mindre utsträckning, de uppmuntras att utnyttja samarbetets potentialer snarare än att dränera sin energi på att konkurrera med varandra. "The mainstream response" bygger på att någon vinner "the power to make decisions in organisational and managerial transactions" på de andras bekostnad. De alternativa arbetssätten bygger på att alla berörda ges möjlighet att bidra till den önskade samordningen och flexibiliteten.

Varför väljer då inte alla det senare alternativet som är överlägset i effektivitet? För att åstadkomma ett vinna-vinna-samspel krävs en ny managementteori och en ny samordningskunnighet -*interactive management*.

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