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ORGANISATIONAL NETWORKING, STRATEGIC CHANGE AND THE FAMILY BUSINESS

DENISE E FLETCHER

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ABSTRACT

Organisational Networking, Strategic Change and the Family Business: A Social Constructionist Perspective

This thesis develops and applies a conceptual and methodological approach to the study of strategic change processes within a small family firm. Primary attention is given to a network perspective of organisations which, it is argued, provides the study with a more appropriate conceptual base for investigating the complex ways in which firms organise themselves internally and externally in industrial markets. A network perspective on organisations provides for more sophisticated theorising on strategic change issues and the entrepreneurial capabilities of small firms. Although the approach developed within the thesis is relevant to the study of both large and small organisations, a small family firm provides the empirical focus of this study. Conceptualisations of family businesses are, therefore, also examined. The three main conceptual themes (of networks, strategic change/entrepreneurship and family) are then integrated to form the analytical framework of the thesis.

Most existing network studies conceive of networks as characteristics of organisations or as particular forms of organisation. This study, however, develops a view of organisational networking as a conversational or discursive process through which meanings are shaped and shared within the organisation. This perspective on networking facilitates the study of processes of 'multi-loguing' and conversations that are an expression of the relationships and interactions organisational members have with each other. A network approach is examined from the perspective of both inter and intra-organisational relationships. It is argued that inter and intra-organisational relationships are embedded in and shaped by social relations which become more complex and enmeshing over time. A view of organisational networking is developed which is concerned with investigating interpretations and patterns of meanings as they are inter-subjectively shared and shaped through social relational processes. Emphasis is placed on how collective patterns of meaning (of family, change issues, orientations to work) emerge over time as a result of discursive networking practices. It is argued that collective meanings and actions become institutionalised within the organisation through social relational patterns and the development of a common language.

A relational view of networking is facilitated by a social constructionist approach. The study is shaped and constructed through interpretive, ethnographic and reflexive inquiry. A case study is constructed around three main themes: family business, strategic change and networking which emerge from field work and close observation of the company over a then-month period. In particular, meanings and interpretations of 'family' and of 'strategic change' are examined in the context of a declining manufacturing company. The ways in which collective patterns of meaning become 'realised' in the shaping of organisational action and practices are emphasised. It is argued that a social constructionist approach yields deeper insights into family, entrepreneurship and strategic change issues through close investigation of social relational processes.

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Introduction

The purpose of this thesis is to develop and demonstrate the utility of a conceptual and methodological framework which aids understanding of strategic organisational change processes within small firms. Primary attention is given to a network perspective with a view to developing a more adequate conceptual base for investigating the complex ways in which firms organise themselves internally and externally in industrial markets. The intention is develop a network perspective of organisations which will encourage more sophisticated theorising on strategic change issues and the entrepreneurial capabilities of small firms. Although the approach developed within the thesis is relevant to the study of both large and small organisations, a small family firm provides the empirical focus of this study. A network perspective is developed cumulatively throughout the first three chapters of the thesis.

Chapter one outlines how the present study of networks arose from an initial investigation of the external organisation of relationships between firms in industrial markets. Through examination of the literature in the area of inter-firm relationships, the intention in chapter one is to consider how sense can be made of these forms of coordination in industrial markets with a view to developing a more adequate conceptual base for further studies in chapter two and three. In addition, the intention is to lay out the different concepts and approaches to network studies making some critical modifications and adjustments to the concepts in order to enhance in-depth understanding of inter-organisational connectedness. This chapter begins by examining the different perspectives, antecedents and approaches to the study of inter-organisational networks. Unlike other reviews of network studies (Grandori & Soda, 1995), however, the distinctive feature of this chapter is that there is no pre-defined concept of inter-organisational networks. Instead, the intention is to 'build up' a perspective of networks based on a discussion of the inter-organisational relationships

and linkages between firms which, over time, coalesce into inter-organisational networks.

Studies of inter-organisational networks are reviewed with a view to revealing their underlying assumptions. Perspectives on inter-organisational linkages are organised under the headings of: resource dependency/'open systems'; strategic management; organisational perspectives of economic exchange and the industrial districts/regional economics approach. It is argued that whilst there is a wide range of perspectives of inter-organisational networks there is, nevertheless, a lack of conceptual and methodological sophistication in the study of business networks. It is suggested that this is holding back further development and understanding/knowledge of business networking practices. This lack of sophisticated conceptualisation is exacerbated by two barriers in particular which can be identified from the existing network literature.

The first of these weaknesses emerges from the dominance of an "open systems" view of industrial networks which encourages emphasis on network structure as externally or environmentally determined. The weakness of this perspective is the tendency to see inter-organisational linkages as important purely for their contribution to the overall effective working of the network system. Thus, an understanding of the particular processes which give rise to individual organisational linkages are subjugated to an analysis of the 'sum' of inter-firm linkages. The dominance of this perspective within the literature provided the initial disquiet and led to search for alternative ways of understanding organisational linkages.

The second weakness arises from the lack of recognition given to the socially embeddedness of economic relations, which account for issues of trust, reciprocity and connectedness in inter-organisational activities. A network perspective of inter-organisational relations is proposed for its ability to emphasise aspects of mutuality and reciprocity, sharing and pooling (Metcalfe, 1976; Akinbode & Clark, 1976; Wolf, 1991) which arise as firms interact with each other over time. Justification for the

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network approach arises from a shift in the traditional unit of analysis of the firm as a production function and instead emphasises the other more social dimensions to transactions and exchanges that evolve as firms interact over time.

Attention is drawn therefore, to the ways in which economic action is embedded in structures of social relations (Granovetter, 1985). In terms of networks studies, the concern with examining the extent to which economic action is embedded in structures of social relations has sparked a whole academic debate on the importance of social/personal networks in organisational activities (Mitchell, 1969; Boissevain, 1974; Tichy, Tushman & Fombrun, 1979; Birley, 1985; Aldrich & Zimmer, 1986; Aldrich, Rosen & Woodward, 1986; Johannisson, 1987b; Butler & Hansen, 1991; Larson, 1992; Ibarra, 1993; Ram, 1994b; Hansen, 1992; The importance of these approaches is that it places the relational network (whether personal, social or economic) as central to organisational activity.

It is argued that the network is a useful concept for investigating inter-firm activity because it aids understanding of the processes through which organisational relations are shaped and realised. It is also envisaged that the network concept provides opportunities for investigating the extent to which socially embedded economic relations impedes or facilitates entrepreneurial and transition processes and in what ways these processes configure to shape the strategic capabilities of the company.

Whilst chapter one is concerned with external inter-organisational relationships, chapter two shifts to the level of the internal or intra-organisational network. This is proposed in order to further enhance the study of the networking processes which interact between external and internal levels. It is argued by Knoke (1990) that the link between inter and intra-organisational linkages is a neglected are of the literature. Also, this perspective would allow for an 'inside the network looking out' perspective whereby the organisation and its relations are taken as the focal point of the network.

The main task of chapter two therefore is to continue to develop a network perspective of organisations. It is argued that much richer insights into organisational processes can be gained through a network perspective of organisations (Tichy, 1981). Also, reference is made to Morgan (1990) who argues that "organisations are constantly being produced....within a particular set of social relations" (p.224). In line with the social embeddedness perspective, the advantage of a network approach is that it enables the analysis of organisations as they are constituted by a mix of social relational processes which are continuously being aligned and negotiated as organisational members attempt to achieve their daily work tasks and personal goals.

A discussion of the ontological and epistemological assumptions underlying organisational networks studies is also undertaken in chapter two. This discussion leads to an argument for a focus on the processes which create network patterning, as opposed to the 'form' of networks (Kantor & Eccles, 1993; Monsted, 1993; Ibarra, 1992). Focusing on the processes which give rise to networking patterns is a neglected area of the network literature particularly in terms of the role of social relational patterns in strategic change processes.

The epistemological and ontological assumptions underlying network studies are also discussed with a view to developing an alternative methodology. An alternative ontological perspective of organisational networks is adopted, which rejects the 'network' as an objective reality which exists outside of the organisation. Instead an 'internal realist' (Watson, 1994a quoting Archer, 1988 and Putnam, 1983) perspective is proposed which recognises an organisational reality existing outside of the organisational members who work there. However, this organisational reality is one which is made sense of by individuals through the social and cultural interaction processes which typify daily organisational life. In this sense, it is suggested that the 'network' be seen as a concept through which it is possible to analyse how people interact with each other and make sense of their daily organisational reality. It is argued that a richer contribution to knowledge about organisational networking

processes can be gained through the networker's world of perceptions, ideas and interpretations. From this perspective, therefore, the network becomes a useful concept which aids understanding of organisational strategic change processes and provides for the construction of an alternative methodology.

A social constructionist approach is proposed in recognition of its ability to explore the construction of meanings arising from social and strategic interaction (Goffman, 1970). In discussing social constructionism and following Gergen & Gergen (1991), a distinction is made between constructivism and constructionism. But in view of the 'internal realist' methodology adopted within the thesis, greater emphasis is given to the relational aspects (Dachler & Hosking,1995) through which people attempt to understand, create meanings and make sense of the daily work activity. By focusing on the relationship aspect of strategic interaction, it is possible to explore social relational processes of power, persuasion and negotiation through which people engage and enact their social networks. It is also possible to explore how these social exchanges influence the construction of individual meanings. In addition, a social constructionist perspective is consistent with Gidden's structuration theory (Craib, 1992) which suggests focusing on 'social practices' as they embody and realise structural forms.

Chapter two concludes with a discussion of social constructionism specifically in relation to networking patterns. From this perspective, ongoing processes of knowledge creation, meaning-making or understanding are created in the relational aspects of dyadic or group interactions. Networking is seen from the point of view of all of those involved in the interaction process and emphasis is given to processes of 'multiloguing' which is more concerned with 'understanding the meanings of conversations by moving around other peoples' narratives' (Dachler & Hosking, 1995:21). Networking from this perspective is more concerned with seeking mutuality, attachments and connectedness emphasising narratives of partnership, self organisation and participation. This social constructionist view of networking is set

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against a discussion of constructivist (more idealist) and constructionist (more realist) views of networking.

Throughout chapter two, the view that networking can most usefully be seen in terms of the inter-subjective meanings which are worked through and aligned through strategic interaction is proposed. No longer is an attempt made to pre-define what is a network pattern within an organisational setting. Instead, a framework is developed which allows for study of the ways in which organisational members talk about their daily approach to work and how they make sense of patterns of work activities. In so doing, the network perspective proposed in chapter one is extended and deepened both conceptually and methodologically.

Chapter three is concerned with adding further depth to the conceptual perspective of organisational network patterning being developed within the thesis. The claim being made is that a social constructionist view of organisational networking has wide potential for enhancing the study of strategic organisational change processes. The primary task of this chapter therefore is to extend the conceptual framework by examining the strategic, entrepreneurial and organisational change literature. The intention is to integrate the main analytical perspectives of these approaches. This is done with a view to establishing the ways in which a social constructionist view of organisational networking can advance understanding of strategic change processes. Furthermore, as the organisation under study is a family business, a discussion of strategic organisational change issues is undertaken in the context of small, family firms.

Chapter three is divided into three sections. The first examines the strategic change literature. The second section is concerned with reconciling the adopted perspective of strategic change with views on entrepreneurialism. From this a discussion of entrepreneurship and change in the context of small firms is developed. The third section reviews the literature and approaches to studies on family business. Integral to

each section is an analysis of the ways in which a social constructionist view of organisational networking can enhance the study of strategic change processes within the family firm.

An analytical framework is developed which is derived from broader 'systemic-conflict' and 'strategic-choice' perspectives (Wilson, 1992) of organisational change. In addition planned and emergent views of strategic change are discussed which, it is suggested, gives rise to two types of narrative characterising change processes. These are 'dominance' and 'partnership' narratives (Dachler & Hosking, 1995) reflecting the different epistemological assumptions which underpin approaches and strategies to 'change'. It is found that these narratives are consistent with constructivist and constructionist approaches to networks which are developed at the end of chapter two. These narratives are then discussed in the light of the entrepreneurship literature where it is found that 'strategic choice' and 'dominance' narratives tend to permeate approaches and studies in this area. The perspectives on strategic change, entrepreneurship and networking are then integrated to form the analytical framework of the thesis. The integrating device is a social constructionist perspective the use of which, it is argued, has the potential to enhance theorising of strategic change in organisations.

As the case study for this thesis is a family business, the final section of chapter three reviews the family business literature. This review is undertaken by exploring the relationship between family and organisation of the work place (Kanter, 1989) and identifies that the relationship is a complex one not fully understood in terms of the traditional rational and 'systems' analyses which dominate family business studies (Kepner, 1983; Hollander 1988; Riordan & Riordan, 1993). Instead interpretive perspectives of 'family' are proposed MCollom 1992; Hollander, 1988; Gubrium & Holstein (1990) where 'family discourse' is conceptualised as a 'resource' for exploring how individuals in organisations assign meaning, make sense of their work and specify relations with others around them. This way of conceptualising 'family' is

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consistent with the social constructionist perspective being developed within the thesis and is integrated within the analytical framework. It is intended that this framework provides the concepts for approaching and analysing the fieldwork. Also, it is hoped that the analytical framework stands with its own integrity and epistemological perspective.

The aims of chapter four are two-fold. The first part of the chapter is concerned with the formulation of 'theory' from a social constructionist perspective. The task is to examine how theorising of strategic change processes in the family firm can be enhanced by an in-depth understanding of sense and meaning-making processes as they are constructed by individuals in dialogue and interaction with one other. In this way strategic change is seen as multi-faceted and the task for the researcher, it is suggested, is to formulate theories of strategic change which incorporate the multi-layering of different interpretations/perspectives and discourses relating to 'family'. This is done through ethnographic inquiry (Spradley, 1980; Van Maanen, 1987; Rose, 1990; Rosen, 1991). It is argued that through ethnography and participant observation, sense making, meaning-making and relational patterns can be meaningfully investigated and constructed to theorise strategic change in family firms.

In particular emphasis is given to the importance of reflexivity in the research process which emphasises personal expression and the right to claim different ways of knowing (Morgan, 1983). It is argued that a reflexive social constructionist perspective provides opportunities for the small business researcher to 'know' small business managers in a new and insightful way.

The second task of chapter four is to recount the experience of undertaking field work and participant observation within Farnsworth Engineering. A reflexive approach is adopted which emphasises the importance of recording feelings and emotions within the ethnographic account (Kleinmann & Copp, 1993). Also, a discussion of gender issues is undertaken to try to account for the ways in which gender influences the field work (Gurney, 1991). Following the approach in Shaffir & Stebbins (1991),

recounting the tale of undertaking field work is constructed around the themes of: gaining access to the company; the interview; getting rapport; learning the ropes; role adoption; maintaining relations and leaving and keeping in touch. It is found that in fitting in to the company the important issue was not gender per se but rather conforming to my sexual stereotype. So the important issue was not whether I was female or male but that I did not try to break established stereotypes.

The final part of chapter four is concerned with 'shaping the ethnographic story'. Three main themes are identified in the story. These are family, organisational networking patterns and the professional manager with his programme for change. Attached to these themes are other sub-categories of meaning which have been located within the main categories. Through reading and re-reading of field work material, categories of meaning which incorporate both academic and native or folk concepts are amalgamated, sorted into what Miles & Huberman (1994) refer to as 'bins' and then are given a label. In this way the central and secondary concepts are organised to provide the main constructs of the story.

It is intended that chapter four develops further the methodology of this thesis and builds on the epistemological and ontological perspective constructed in chapter two. The intention of the thesis is to conceive of organisational networking as a distinctive or useful mode of theorising about strategic change organisational processes. However, the usefulness of the adopted analytical and methodological framework for conceptualising organisational networking in this way can be critically assessed for its value in yielding insights and understandings from the field work. Chapters five to seven therefore are concerned with constructing an ethnography of life and work in a small family business. In analysing the spoken words which express the way individuals in the company interpret and make sense of their jobs, it is possible to yield insights and understandings of those processes and ways of organising which are distinctive to the company.

The ethnography begins in chapter five by introducing Fernie Farnsworth, the father and original owner-founder of Farnsworth Engineering. The story highlights how Fernie reluctantly started the company back in the 1950's and successfully 'grew' the company into three divisions. The analysis shows how Fernie's philosophy, style of managing and leadership pervade many aspects of the company's operations and how allegiances to him have formed over the years. In addition, the ethnography recounts how issues of succession dominated the company's activities for about five years from which the company is only just beginning to recover.

In building up his business, Fernie had intended to secede the company to his three sons and the ethnography shows how the succession process failed and was used, by two of the sons, as an opportunity to leave the business. The exit of the sons resulted in the third son being brought reluctantly into the business from his teaching career. This left one son in charge of the business when, a few years later, the father finally decided to retire. It is suggested that the two sons left the business at a time when, it could be argued, the business was moving from a single-owner-managed to a family business. The irony being that at the point at which the company the company had become a family business, in the sense of ownership and management being concentrated in the family unit (Litz, 1995), the role of the family was rapidly dissolving. However, it is argued that at the time of investigation, Farnsworth Engineering can still be characterised a family business in view of the fact that three of the sons, alongside their father, have been involved in running the business. Furthermore, the relationships between family members, their style of managing, approach to the business and family values have impacted considerably upon the organising process, decision-making and strategic orientation of Farnsworth Engineering.

In particular, chapter five highlights some of the sibling and father-son tensions which are suggested to characterise relationships between the family members. Throughout the accounts individuals report on the role of family members and how the sons have

exploited their position within the company and in so doing created negative feelings within the company. The term 'Toad of Toad Hall' is used by organisational members to refer to the 'squandering of money' and the ways in which the life style and expectations of family members seriously affected the ability to do one's job. It is suggested that in one sense, the family members had become another set of customers who needed to be kept happy.

The story also recalls how many practices which were introduced by the father were practised by his sons and still prevail to shape many relationships and activities up to the present day. Many themes are discussed such as 'caring and kicking', the 'Farnsworth Promise', 'them and us' which allude to values, practices and ways of working from the past which have been shaped by Fernie's autocratic style of managing. It is suggested that organisational members are united by shared experience of these changes and this shared experience is further reinforced in the continuous telling of stories about the management changes and events of the past. Furthermore, once organisational members have been involved in and had interactions with colleagues (whether family or not), then knowledge and memories of past interactions is always there to shape future interactions.

In particular, from analysis of the way in which individuals recall and speak about the days when the family were working in the company, the claim is made that meanings, interpretations, relationships and remembrances of past events have shaped current practices. Thus, rather than being too definitive of what constitutes a family firm in the strict sense of concentrated ownership and management, it is suggested that a more flexible view of family firms is important to take into account what Litz (1995) refers to as the 'intentionality' within the business - that is to become, erode, displace or remain a family business. It is found that this approach to analysing family firms is a useful one and enables the researcher to focus on the processes through which the role of the family emerges, is sustained or eroded and displaced over time.

In chapter six, the intention is to examine organisational networking patterns from the spoken words of those involved in doing the networking. Initially, the extent to which the organisational 'structure' as constructed by senior management and formalised in the organisational chart is talked about by those working in the company, is investigated. In particular, the intention is to examine the processes that shape what people say and the importance of organisational networking patterns for shaping these processes. From the analysis of the accounts, it is inferred that networking patterns prescribed by the formal organisational chart are not particularly meaningful in the context of this small firm. It is suggested that informal networking patterns that cut across formal lines are a more meaningful indicator for facilitating resource exchange, communication and for helping mangers to do their jobs better (Knoke, 1990; Ibarra, 1992, 1993). This also provides the opportunity to investigate networking patterns from the way in which individuals interpret, manoeuvre and negotiate within the internal organisational network.

In addition, chapter six is concerned with introducing the characters in the case study and with identifying attributes which are favourably and unfavourably spoken of within Farnsworth Engineering. This is done with a view to identifying how attributes shape the formulation and dissolution of both personal and work relationships within the company and how these relationships facilitate working processes and practices. It is suggested that the reputation of individuals within Farnsworth Engineering is an important shaper of networking patterns and individuals are very influenced by the reputation of their colleagues. It is found that an evaluation of networking patterns on the basis of how individuals are spoken of by colleagues was a useful way of identifying who was in or out of the organisational network. This, it is argued, is an important shaper of how things get done within Farnsworth Engineering and alludes to the role of networking patterns in this process.

In particular, the story identifies the importance of individuals fitting in, mucking in, not treading on peoples' toes, not being too clever, working together, not being too

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superior, 'giving and taking' and not pushing people too hard. Examples are cited where individuals have been set up and dismissed and it is suggested that this is indicative of a practice of 'setting people up' and 'getting out' those who are deemed not to fit in. The analysis also highlights how the intensity of attachments between certain individuals are, to a great extent, shaped by involvement in and interpretations of past events such as the role of family members, managerial changes and so on. The distinctiveness of this analysis is that in adopting this approach it is possible to understand networking patterns as they are talked about by those involved in forming relationships. Also, it is possible to develop an understanding of how certain expressions are shared within the small business and the ways in which these shared understandings influence how people work together and how they make sense of and talk about their interactions with each other.

Finally, in chapter six, communication and personal networking patterns are examined with a view to assessing aspects of power, centrality, intensity and diversity of network contacts and linkages which managers have constructed. This is an important area of the network literature where strong/weak ties (Granoveter, 1973) and wide-narrow networks (Ibarra, 1993) are argued to be an important indicator of the ability of firms to manage growth or change and their ability to be entrepreneurial or get access to important resources and market information (Aldrich & Zimmer, 1986; Butler & Hansen, 1991; Johannisson, 1987a).

The ethnographic account in chapter seven reports how individuals within a small, family business have talked about their responses to a major restructuring programme. The change programme has been implemented by a 'professional manager' or change agent brought in by the chairman to introduce new systems and structures which will help the company turn around its negative financial position. The first part of the ethnography is concerned with introducing the change agent, his background and approach to change management as constructed from interviews with him. The account then analyses the different responses to the change agent and the systems he

is attempting to introduce. The account highlights a number of contradictions in the way the change agents talks of his approach to implementing change and the way individuals make sense of this process. The ethnography also indicates how organisational members recall past times and events which, it is argued, reflects adherence to values and ways of working which are associated with the founder-owner of Farnsworth Engineering. It is shown how individuals are still trying to make sense of and frame new practices within their understanding and knowledge of past events. From the analysis, it is argued that individuals' attributes, attitudes and relationships with each other constitute important organising processes which shape working life and strategic change within Farnsworth Engineering.

The task of chapter eight is to evaluate the usefulness of the adopted conceptual framework and methodological framework for enhancing understanding of strategic change processes within a family firm. The chapter is divided into sections to accord with the three conceptual arguments developed in chapter three. The first section discusses the concept of 'family' and its meaning in relation to Farnsworth Engineering. The second section analyses the value of a network approach. The third section addresses issues of strategic change, entrepreneurship and arguments concerning 'professionalising' the business.

It is suggested that the traditional, rational approaches which pervade studies of family business are insufficient for analysing the emotions, values, ties and ways of working which have been shaped by both family and non-family relationships alike. There is, as Kanter (1989) suggests, a strong link between family and organisation of the work place. However, the relationship is a complex one and cannot be easily understood by separating out the elements of 'business' and of 'family' as suggested in the more rational approaches. A more interpretive approach to the concept of family, as it is interpreted and constructed by those working in the family business, is proposed (Levin, 1993; McCollom, 1992. In this way, family discourse becomes a way of understanding how meaning is assigned to actions taken on behalf of social

ties (Gubrium & Holstein, 1990). Family, therefore, becomes a 'discursive resource' for exploring the interactivity of its members and the ways in which interactions, dialogues and sense-making processes are shaped by relationships.

The second section of chapter eight examines the conceptual arguments around organisational networks. From the analysis of Farnsworth Engineering, it is argued that a network approach is a useful framework for analysing organisational activities. Indeed, the argument is extended to suggest that organisations 'constitute unique patterns of network relationships' which are shaped by embeddedness within a social/cultural context. Within such a perspective, organisations are seen as distinct and unique, determined by the dynamics and interplay of internal/external networking patterns. In addition, it can be identified that networks are not designed by a single actor according to a master plan (Hakanson & Johanson, 1988). Linkages evolve over time and are developed through mucking in, working together and achieving mutuality. They evolve also through historical knowledge of past exchanges and are strengthened when internal adaptations are made and lead to mutual obligations and strengthening of ties (in both a negative and positive sense) between economic actors. The analysis undertaken within the thesis would support Morgan's (1990 view that "organisations are constantly producing and being produced within a particular set of social relations" (p.224).

Furthermore, from the analysis it is possible to accord with the argument that personal or social relations are important in the study of organisations (Mitchell, 1969; Boissevain, 1974; Aldrich & Zimmer, 1986; Birley, 1985; Johannisson, 1987b; Butler & Hansen, 1991; Larson, 1992; Ibarra, 1993). Reference is made in chapter one to Boissevain (1974) who suggests that "the social relations in which every individual is embedded may be viewed as a network". The analysis of Farnsworth Engineering suggests that paying attention to the personal network of relations as is suggested in chapter one, is important for understanding how things get done within the company. It is possible to argue that the personal network becomes a means of

organising the context of the firm (Johannisson, 1992). So by focusing on the social/personal networking patterns between organisational members, it is possible to argue that not only do these patterns provide access to important resources for the company but they are also the means through which the organisational context is ordered and made sense of by the people that work there. The analysis would therefore reinforce the importance of rediscovering and acknowledging the 'social' in inter-firm relations (Granovetter, 1985).

In view of the emphasis the chairman gives to 'professionalising' Farnsworth Engineering, a discussion of the distinctiveness of 'professional management' is undertaken in chapter eight. A perspective on entrepreneurialism is developed which suggests that entrepreneurialism within existing businesses is about developing innovative practices and can be as much about orientation to change (Gibb & Scott, 1985). Thus, the role of strategic management in small firms is concerned with "the entrepreneurial work of the organisation with organisational renewal and growth" (Pettigrew, 1979:11 representing Schendel & Hofer, 1979). From this perspective, it is argued that it is important to research creative acts and focus on the way managers organise their ventures rather than their venturing outcomes (Johannisson, 1993).

In addition, reference is made to Watson (1995a) who is critical of the distinction often made between entrepreneurial and professional management as this, he argues, distracts the debate about what constitutes competent management in different organisational contexts. However, in discussions of 'professionalising' the family business a distinction is often made between the professional and family managers (Dyer, 1989). Whilst this is criticised as a characteristic generalising all family firms, it is found that in relation to Farnsworth Engineering, family management (or the legacy of family management) and 'professional' management emerge as distinct 'domains' or ways of organising which contrast and conflict with each together.

The third section of chapter eight discusses the usefulness of the strategic change

framework developed in chapter three which integrates 'systemic-conflict', 'strategic-choice, emergent, planned and implementational approaches for analysing strategic change issues. In addition, a discussion of constructivist and constructionist views of networking are added to the strategic change framework giving rise to two narratives which, it is suggested, dominate strategic change and networking patterns within the organisation. These narratives embrace 'dominance' and 'partnership' views on change strategies and the role of networking patterns within this process.

In analysing the comments of the change agent where he talks about his ability to shape, craft, get things done and import solutions to inspire change, it is inferred that the change agent espouses the importance of a more consensual approach to change management. For example, he speaks about building mutuality, participation of everyone in the change process implying that change is democratically agreed and emerges through shared consensus. In this way, it is suggested that the social/cultural/political context of the organisation is acknowledged in the change process by encouraging participation.

However, several conflicting reports emerged throughout the interviews which conflicted sharply with the change agent's view of himself. The mixed reports made about the General Manager are also extended to the different policies and structures he has tried to introduce. This suggests that in spite of the espoused consensual view discussed above, the way in which Darren's colleagues speak about their interpretation of his approach and the changes implies that the change strategy is not as 'consensual' as is implied above. From the analysis of the accounts, it can be argued that the narrative which best describes change processes as talked about by colleagues in Farnsworth is that of 'dominance', emphasising that the change process needs organising, planning and implementation.

From the analysis in chapter eight, it is argued that the strategic change framework developed in chapter three is a useful one for creating approaches and a language for

analysing strategic change process. However, had only one perspective been analysed (ie the change agent), the narrative that would have dominated would have been partnership, consensus etc. Had the organisational members' perspective been taken, it would have emphasised a more dominant view of change. Firstly, what is important then is an approach to strategic change which adopts an interpretive approach. Interpretive approaches in organisational change, Wilson (1992) suggests, have been given only limited attention. As the above analysis shows, it is important to understand change from the point of view of those involved in shaping and experiencing the change process.

However, the main challenge for the organisational change researcher is to examine the ways in which strategic change processes are shaped by underlying patterns of thinking, reflection and how these patterns are worked out relationally. It is with this challenge in mind that a social constructionist perspective which emphasises relational aspects of change is proposed in chapter three and is found to be useful for enhancing theorising of strategic change.

A social constructionist view of networking is proposed which emphasises the 'relational' aspects of exchange and networking through which knowledge is inter-subjectively shared and aligned. This relational view contrasts with the constructivist view of networking where the majority of the networking literature is located and which focuses on the monologic talk and conversation of the singular networker going about constructing network relations with people who will provide important resources and information to aid managerial efficiency. The analysis of the field work findings in chapters five to seven identifies how values and ways of working which have been shaped by family issues are worked out inter-subjectively through interactions and connectedness. It is argued, therefore, that a relational view of organisational activities whereby sense-making meaning-making processes are investigated from the multiple points of view of those involved in interactions and networking patterns and the way individuals speak of these interactions, enhances

understanding of organisational activities and processes.

From the analysis of this thesis, it is argued that a social constructionist view of organisational networking provides a sophisticated analytical framework for understanding how and why change occurs in organisations. A network framework, it is suggested, provides the study with valuable concepts and discourse for analysing strategic change. It is argued that this thesis makes an important contribution to knowledge and understanding of strategic change in organisations in general and of small, family firms in particular.

Chapter One

Inter-Organisational Relations: Developing a Network Perspective

The purpose of the first three chapters of the thesis is to develop a conceptual and methodological approach which aids understanding of the strategic organisational change processes of small firms. In particular, the first chapter examines the network literature with a view to developing a more adequate conceptual base for investigating inter-firm relations. A network perspective is adopted as the framework for the present study and this framework is developed further in chapter two. A review of the literature on entrepreneurship, strategic change and family business is undertaken through chapter three from which the conceptual framework for the present study emerges. Although the approach developed within the thesis is relevant to the study of both large and small organisations, a small, family firm is the subject of the thesis. Chapter four recounts the experiences of undertaking fieldwork within a small, family-owned manufacturing company. The intention, in chapters five to eight, is to assess the usefulness of the conceptual and methodological framework for enhancing understanding of strategic organisational change processes of small, family firms. Chapter eight evaluates the usefulness of the adopted conceptual and methodological framework for enhancing understanding of strategic change processes within a family firm.

Primary attention is paid to a network perspective for investigating the complex ways in which firms are organised internally and externally in industrial markets. A critical review of the existing academic literature concerning networks is undertaken in chapter one with a view to identifying gaps within this body of work. The network approach is found to be useful for its ability to give close attention to the socially and culturally embedded nature of inter-organisational activities and it is this aspect which forms the initial layer of the conceptual framework. Chapters two and three develop a deeper conceptualisation of organisational networks by focusing on internal networking processes and the extent to which internal and external networking patterns have the potential to influence the strategic orientation of the organisation.

Chapter one outlines how the present study of networks arose from an initial investigation of the external organisation of relationships between firms in industrial markets. This chapter begins by examining the different perspectives and approaches to inter-organisational networks. Through examination of the literature in the area of inter-firm relationships, the intention in chapter one is to consider how sense can be made of these forms of coordination in industrial markets. The need to develop a conceptual framework which is appropriate for analysing more cooperative modes of organising between firms is argued for. Such a conceptual framework, it is suggested, is provided by the network approach. Studies of networks are then reviewed with a view to organising their different conceptual and methodological perspectives. It is argued that whilst there is a wide range of perspectives of inter-organisational networks there is, nevertheless, a lack of conceptual and methodological sophistication in the study of business networks. It is suggested that this is holding back further development and understanding/knowledge of business networking practices. This lack of sophisticated conceptualisation is exacerbated by two barriers in particular which can be identified from the existing network literature.

The first of these weaknesses emerges from the dominance of a "systems" (albeit 'open systems') view of industrial networks which encourages emphasis on the environmentally determined network structure. Such an emphasis is also reinforced by an "outside-looking-in" perspective on networks. A second weakness arises from the lack of recognition of the socially embedded nature of economic relations, which is important for incorporating issues of trust, reciprocity and connectedness in inter-organisational activities. To some extent these issues are explored through the social network perspective but once again a lack of methodological sophistication continues to hold back the in-depth exploration of the socially-embeddedness of inter-firm activities. However, the initial task of the chapter is to make sense of inter-firm activities and this is done through examining different approaches to network studies.

The Study of Inter-Organisational Networks: Approaches and Antecedents

The network concept has become very popular over the last 10 years and has given rise to a diversity of definitions and perspectives. However, in spite of a now extensive literature on the network concept (Mitchell, 1969; Aldrich & Whetten, 1981; Thorelli, 1986; Powell, 1987, 1990; Johanson & Mattson, 1984, 1985, 1986, 1988; Hakanson, Ford & Johanson, 1985; Birley, 1985; Johannisson, 1987b; Szarka, 1990; Easton & Axelsson, 1992), there is still considerable diversity in the range of different perspectives on networks. Grandori & Soda, (1995) attempt to sort through the different approaches to networks within the European literature (to which I return to shortly). Easton & Axelsson (1992), in their study of Industrial Networks, also review the network literature from a European perspective. In particular they explore the Swedish (Uppsala Group) Industrial Marketing approach to networks (cf Johanson & Mattson, 1984; 1985, 1986, 1988). In addition, in the early 1990s, a group of American network researchers came together in an attempt to make sense of the 'network' concept (see Nohria & Eccles, 1992). Motivation for the colloquium on networks took place through Harvard Business School arose from concerns as to whether the 'network' refers to certain characteristics of an organisation or whether it refers to a particular form of organisation. What is interesting to note from the European and American literature is their lack of recognition (with one or two exceptions), of the other's contribution to the study of networks. A key task for this thesis therefore, is to draw from both the European and American approaches in order to build connections between the different perspectives. It is with these questions and issues in mind that an attempt is made throughout this chapter to sort through, make sense of and organise the different perspectives on networks.

The present study of networks arose from initial interest in the rise of cooperative and inter-firm relationships between firms in industrial markets. This was stimulated by the proliferation, around the early 1980's, of journal articles concerned with an apparent increase in the nature of inter-firm cooperative activity. Potentially, this appeared to indicate a change in the traditional nature of economic transactions between firms in industrial markets. Interest and curiosity concerning the

internal/external motivations pushing large and small firms towards closer and more cooperative relationships with their customers and suppliers gave rise to the initial research questions. What, for example, did this cooperative action mean for the nature of competition and nature of economic exchange in industrial markets? What were the costs, benefits, and implications for firms developing closer relations? What role did small firms play in this and were there certain sectors, or certain organisational cultures which showed a greater propensity to cooperate? What was the nature of these cooperative relationships and how did entering into such a closer inter-firm relationship affect the strategic orientation and performance of the firm? This range of questions aroused the initial interest in the study of inter-firm relationships and led to greater study of the network perspective in more detail.

In reviewing the different perspectives of networks, it is possible to organise the literature into several academic approaches. As mentioned above, such an arrangement exercise is undertaken by Grandori & Soda (1995). However, it is important to note that they begin with a concept of network defined as "modes of organising economic activities through inter-firm coordination and cooperation" (p.184) and then attempt to "fit" academic approaches within this perspective. However, it is the intention to begin the thesis with a discussion of the inter-organisational linkages between firms and build up a conceptualisation of 'network' from a more 'bottom-up' perspective. In this way the 'network' is seen as a particular way of organising which emerges out of inter-(and intra-) organisational connectivity. Inter-firm linkages are explored through the following perspectives: **resource dependency/open systems perspectives; the strategic management** of these relationships; moving on to **organisational perspectives of economic exchange**; and finally the **industrial districts/regional development** approach. From this organisation and review of the literature, a conceptualisation of **organisational networks** begins to emerge. Added to this emerging conceptualisation is the **institutional embeddedness** approach which adds depth and richness to a study of inter-organisational relations.

Inter-Organisational Relations: A Resource Dependence and Systems Perspective

The first step in exploring the complexity and nature of inter-organisational linkages is centred upon terminology and definitional issues. The rise in practice of the multiplicity of inter-firm linkages has, not surprisingly, coincided with a growing literature on the nature, form and impact of such linkages. The abundance of literature in the area of inter-firm business relationships has led to a proliferation of terms, concepts and approaches aimed at enhancing understanding of this business activity. These concepts can be categorised as follows:

- **inter-organisational relationships as political economy** (Levine & White, 1960; Akinbode & Clarke, 1976; Lincoln, 1982; Johanson & Mattson, 1988; Metcalfe, 1976; Benson, 1975);
- **joint ventures,** (Killing, 1988)
- **strategic alliances** (Devlin & Bleakley, 1988; Hagedoorn & Schakenraad, 1992; Killing, 1988; Littler & Wilson, 1991; Lorange & Roos, 1992; Lorange, Roos & Bron, 1992; O'Doherty, 1990; Ohmae, 1989; Urban & Vendemini, 1992; Van Gils & Zwart, 1992; Welch, 1991; Wolf, 1991; Yamin, 1993;)
- **strategic partnership**s (Lewis, 1990; Lamming, 1993; Mytelka, 1991),
- **value chains** (Porter, 1986), value adding partnerships (Johnston & Lawrence 1988);
- **cooperative strategies** (Pyke, 1988; Contractor & Lorange, 1988; Jarillo & Stevenson, 1991; Laurent, Bidault and Segala, 1992; Mariti & Smiley, 1982)
- **quasi-vertical integration** (Blois, 1971-2);
- **trans-organisational development** (Cummings, 1984);
- **strategic partnerships** (Doz, Hamel & Prahalad, 1986);
- **collaborative agreements** (Hegert & Morris, 1988);

What these approaches have in common is a resource dependence feature, wherein

inter-organisational linkages are seen primarily from the perspective of the external environment which is acknowledged as playing an important role in shaping the network of relations which firms develop. From this perspective organisations are seen as "open systems" (Buckley, 1968; Katz & Kahn, 1966) with semi-permeable boundaries across which relationships, transactions, money, goods and services flow. Such open systems are continuously influenced by pressures and changes within the market which push firms towards developing loose-tight linkages with other firms in their operating environment. Such external linkages are seen as important for allowing firms to get access to much needed external resources. Thus, over time, inter-organisational linkages which become loosely or tightly coupled within an overall system (or network), become dynamic (Pfeffer & Salancik, 1978). From a resource dependence point of view, it is the external control of organisations by one or two important constituencies (ie partnerships, joint ventures), that is the main driving force for the development of the inter-organisational system. Furthermore, the inter-organisational system is open to environmental forces which determine the way in which the system evolves and in order to survive in these conditions, inter-dependencies have to be formed (Benson, 1975). One major driving force pushing European firms towards greater cooperative activity is the growth of an integrationist trend within the European Union.

The Organisation and the Environment: Integration and Interdependence within the European Union

One dominant theme within the inter-organisational literature is to focus on the competitive global environment which is pushing firms to cooperate and develop closer relationships with other, often rival, firms. The emergence of global markets appears to create a logic which dictates that firms can no longer guarantee survival through pursuit of independent strategies and therefore global alliances are a further way of consolidating market position and strength (Ohmae, 1989). The trend towards homogenisation of mass-markets (albeit with some local differentiation and tailoring of products) has been facilitated by developments within the European Union by attempting to encourage further economic, cultural and political integration between

nation states. Such developments as the creation of the Single Market within the European Union, for example, have been instrumental in removing physical, fiscal, human barriers within Europe, thereby making previously inaccessible markets more penetrable (Cecchini, 1988).

Since the second world war there has been a developing integrationist trend within Europe which has seen nation states working much more closely together with each other than they had previously. The political legitimisation for this arose initially from the inability of states in the post war period to re-build their devastated economies and transport infrastructures by themselves. This need to cooperate and share resources and raw materials led to the creation of economic, and nowadays, political-economic institutional structures which help nation states to cope with common economic/social problems of limited economic and social, physical resources. Problems of recession, high inflation, unemployment, migrants, regional disparities, environmental concerns, terrorist/criminal/drug-trafficking activities are problems which are common to all states and, it is argued can be tackled more effectively from a united, or at least a cooperative stand point.

As such, it is possible to argue that integrationist developments between states within the European Union has provided the political rationale and legitimisation encouraging greater cooperation between firms. This is further reinforced through the policy framework of the European Union, which attempts to bring together and integrate activities between small and large firms, local authorities, sectors of industry, lobby groups, educational institutions, financial and trade associations, multi-national firms and international organisations in order to improve the economic climate, progress and welfare of the European members states and associate members. A cris-cross web of linkages, interactions, relationships have developed which did not exist 20-30 years ago. For example, the support activities provided to small firms through the Directorate General 23 aptly illustrates this argument (ie BC-Net, Europartenariat), which are aimed at encouraging trans-border collaboration between firms. In looking at the mechanisms through which small firms are positively discriminated in favour of, this philosophy is shaped by a political belief in the

benefits of cooperation and the importance of working together in networks to reduce discrimination.

Such an integrationist trend and its self-perpetuating legitimisation at a macro-economic level has cross fertilised to the level of firms. At the level of firms, it is further facilitated by mass communications which have had the effect of breaking down national borders and barriers and making organisations or consumers accessible through the media and communication networks. This had the effect of 'homogenising' consumer tastes making it easier for multi-national companies to develop global marketing, production and corporate strategies which cross national boundaries. Technological change and advances in information technology systems also help firms to communicate with customers, suppliers, financial institutions, lobbying groups or stakeholders on the other side of the world. Thus, it is possible to argue that the economic interdependence between nations and states is also spreading to organisations. Market structures, competition, organisational behaviour and cultural barriers are being changed and restructured by a recognition of the need to, and benefits in, cooperating with other firms. From this perspective inter-firm cooperative activity can be seen to be strongly influenced by and contingent upon the nature of the macro political and economic environment.

This section has been concerned with the macro economic and political environment which has legitimised greater inter-dependence between firms. The following section examines the 'competitive environment' and the extent to which it is argued within the academic literature that this is a force facilitating or impeding the development of partnership relationships.

The Competitive Environment and Industry Structure

According to Buigues & Jacquemin (1989) and Porter (1986), the strategic interplay of firms is determined by the structural characteristics of the sector in which firms are operating. These 'models' suggest that the volume of competition, the power of buyer/suppliers/new entrants and the opportunities for firms within the sector to

specialise and differentiate themselves in product or market niches are the factors that determine the structural and competitive characteristics of an industry. Sectors are identified as fragmented, high volume, specialised or mature in terms of the intensity of rivalry and advancement of new technologies and alternative substitutes available within the market (Buigues & Jacquemin, 1989).

Such complex and turbulent environments and changing market conditions, the literature suggests, encourage firms to work together. For example, within a linear value chain arrangement where "the value chain is a system of interdependent activities and not a collection of independent activities" (Porter, 1986:48), cooperation is normally more market oriented and takes the form of up and down stream linkages with customers and suppliers. The linkages between firms are suggested to constitute 'value-adding partnerships' which involves a chain of 2-6 suppliers who: "work together to manage the flow of goods and services along the entire value chain" (Johnston & Lawrence, 1988:94). The 'value system' approach, which focuses on the stages of value addition process (from raw material to finished product), it is argued, has many parallels to the supply chain concept (Lamming, 1993:90), but basically what emerges is a "linear map" or "value network", consisting of firms performing at each stage and each firm fulfilling an important link in the overall value system. In order to ensure the long term efficiency of production, quality levels, short/reliable deliveries and to reduce transaction costs approaches from this perspective suggest that firms construct a supportive network system of suppliers, each of whom play a vital role in maintaining that system (Johnston & Lawrence, 1988; Lorenzoni & Ornati, 1988). In the end, it is suggested that the combined efforts of all partners must add up to a 'value system' that can produce a more competitive end result. In so doing the whole becomes greater than the sum of its individual parts. This perspective of the inter-organisational literature argues that competitive and challenging environmental forces are driving the creation of the 'whole' inter-firm system.

For example, in an analysis of the knitwear industry in Italy and the UK, Badenfuller, Lorenzoni and Utili (1990) concluded that a turbulent environment tends to encourage cooperation, while stability within the environment discourages it. Furthermore,

Miles and Snow (1986) concluded that cooperation is more prevalent in some industries than others and their study of clothing and construction companies reflected a high number of agreements. Also, Laurent, Bidault and Segala (1992) identify two characteristics of sectors which they argue have a greater propensity to encourage cooperative activities. These distinctive features can be found in sectors that mobilise a large number of activities in the supply and value chain and also in sectors which face a high level of uncertainty. In particular, they argue that a mature market segment in which technologies are no longer able to provide for differentiation, provides further stimulus for inter-firm activities. So, from this perspective, it is argued that the more mature and competitive the industry, then the more likely it is that the "company will need a good cooperative advantage" (Jarillo & Stevenson, 1991:65). Conversely, young and newer segments of the market (such as fine chemicals) which are growing fast and where technologies are less diffused and mature, interaction between clients has a shorter history. It is suggested that mutual knowledge and trust have not been built up sufficiently to allow cooperation to rule the selection of counterparts (Laurent, Bidault and Segala, 1992). In summary, these perspectives of the literature propose that turbulence and maturity of markets is an additional factor influencing the propensity of organisations to cooperate.

In reviewing the literature from the resource dependence perspective, an important criticism can be identified. In spite of the diversity of perspectives concerned with making sense of inter-firm relationships, there is still a lack of sophisticated conceptualisation about the nature of inter-firm exchange. For example, it is possible to argue that all markets are turbulent and the entrance/exit of new/old players and newer demands made by consumers and changing technological capabilities, mean that markets are constantly chaotic and in turmoil. Furthermore, the conceptualisations of inter-organisational relations reviewed so far encourage the reader to think of inter-firm relationships purely in terms of their contribution to interlocking parts of a system - a system which is externally and environmentally determined.

In summary, this review has showed how the dominance of a 'systems' view has

directed the way academic debates have tried to make sense of inter-firm linkages. In the following section, it is identified how an over-emphasis on the environmentally-determined cooperative activity of organisations also extends to the strategic management literature wherein, it is suggested that such inter-organisational linkages need to be strategically managed.

Strategic Management of Inter-firm Linkages

Traditionally, cooperation has often been seen by firms as the less desirable option to independent or internal expansion because of the complexities involved, management experience and know-how needed to operationalise such activity. As a result, strategic cooperation is seen as being primarily the domain of large multi-national companies (de Woot, 1990; Porter, 1986; Contractor & Lorange, 1988; Ohmae, 1989; Lewis, 1990; Lorange Roos and Bronn, 1992; Wolf, 1991 and Mytelka, 1991) and it is their activities which have been shaping understanding of joint ventures and business relationships.

As a result of the complexity and financial resources or management know-how needed to keep ahead of the strategic partnership 'game', it is suggested within the literature that cooperative relationships are undertaken reluctantly and are often viewed as second best options to alternative "going it alone" strategies (Pyke, 1988). Influenced by environmentally-determinist views, the strategic management literature analysing inter-firm relations adopts a normative and 'power-game' perspective. From this perspective, it is argued that in order to compete in turbulent industrial markets, firms should strive for supremacy or superiority over other rival firms. Furthermore, it is seen as a strategic necessity to be linking up with an international rival competitor for the purpose of sharing resources.

The prescriptive element in the strategic management literature is illustrated through the use of language that firms must be 'doing alliances and partnerships' in order to survive harsh and fast-changing environments (Buigues & Jacquemin, 1989; Urban & Vendemini, 1992). Although, it is suggested that firms should weigh up the costs and

benefits in terms of strategic choices as to whether to 'go it alone' or cooperate (Contractor & Lorange, 1988; Jarillo & Stevenson, 1991), the general assumption is that firms can improve their competitive advantage by entering into alliances. Effective development and management of 'alliance portfolios' (De Woot, 1990) enables firms to defend, catch up, remain or restructure their market position (Lorange, Roos and Bron 1992) or become more able to improve their product/market matrix (Laurent, Bidault & Segala, 1992). In terms of growth opportunities, Jarillo and Stevenson (1991) argue that inter-firm partnerships allow companies to focus on their distinctive competencies and "blow through the limits of sustainable growth". Thus, the strategic conception of cooperation arises from the desire to "organise competition" (Urban & Vendemini, 1992:11) and in undertaking strategic partnerships, firms are intervening, organising and trying to control their competitive environment.

The approaches developed with this literature therefore, tend to conceive of alliances and cooperative partnerships as essential tools which can enhance the position of firms in highly competitive industrial markets (Jarillo, 1988). These cooperative partnerships are presented as vital, rational "weapons" - essential in hostile competitive environments. The business language used to describe the hostile nature of this business activity is reflected in the use of language which emphasises power, equity issues, costs and benefits, zero-sum games, control issues and winner-loser scenarios. The problem with such perspectives is that they are based on a traditional conception of the nature of industrial markets, a conception which ignores many of the closer, cooperative features of inter-organisational activities.

Cooperation, Collusion: New Forms of Competition

The traditional view of industrial markets which the strategic management perspective gives close attention, is a view of markets as the home of spontaneous, rational and self-interested actors. Thus, in spite of cooperative inter-firm activity, such traditional market exchanges are seen as involving little personal involvement, reciprocity or indebtedness. Within this perspective, the market is seen to be open to all entrants

but, while it brings firms together, it does not establish strong bonds of altruistic attachments because the market is a differentiated sphere - something separate from people and the social context. The traditional view of industrial markets sees competitive markets as the home of individually self interested, non-cooperative and unconstrained economic interaction. Prices alone are seen to determine production and exchange, therefore, no governance control is necessary to manage inter-firm relationships. Furthermore, from this perspective exchanges within markets are constituted by one-stop transactions between interacting firms with little or no carry over effects and therefore competitive markets become powerful arenas where firms can seek out their own goals and objectives at the expense of other firms in the market. From the traditional view of industrial markets, it is suggested that inter-organisational cooperative strategies are developed to enable firms to achieve a competitive edge and to enhance their ability to sustain autonomous and self-interested positions.

However, the rise in the popularity (empirically and in academic accounts) of cooperative relationships challenges this conception of competitive behaviour and provides for alternative conceptualisations of the nature of market exchange. From the 'cooperative' perspective, competition in industrial markets is no longer only about the workings of the free market and prices, but a mixture of competition and collusion. The issue of cooperation versus competition comes into question when, from empirical studies (Laurent, Bidault & Segala, 1992; Miles & Snow, 1986), firms are seen to be working together in certain functional areas/markets. This suggests the need to synthesise conceptions of 'competition and cooperation'. A synthesis of the notions of competition and growing mutual inter-dependencies which allows collaboration to be seen as a form of competition by other means (de Woot, 1990), is helpful for making sense of more collaborative forms of competition.

In the discussion so far, it has been established that the nature and turbulence of markets is changing the face of competition as it is traditionally understood. The approaches discussed have highlighted the external determinants of inter-organisational activities, driven by the complex and turbulent nature of competitive

markets. As a result of this view of industrial markets, it is highlighted how competition is argued to be strategically managed in order for firms to manoeuvre themselves into advantageous positions. However, it is argued here that to close off the conceptualisation of inter-organisational relations at this stage is extremely limiting. Furthermore, in reviewing the literature, certain 'gaps' or neglected aspects can be identified. For example, the extent of cooperative activities and the relevance of these debates for the small firm sector. This concern led to a search for conceptualisations of inter-organisational activity within the small firm literature.

An emerging body of literature on the cooperative activity of small firms can be identified (Jarillo, 1986; Urban & Vendemini, 1992; O'Doherty, 1990; Littler & Wilson, 1991; Laurent, Bidault and Segala, 1992, Anwar, 1991; Van Gils, 1992). However, a review of this literature reveals a tendency for these writers to cross-fertilise the approaches and perspectives of large, multi-national firms' cooperative activities to the arena of small firms. In doing so, this has neglected a deeper understanding of the role and contribution of small firm partnerships and cooperative activities (Fletcher, 1993a). Also, underlying the strategic management models of inter-firm relationships are a number of implicit assumptions. The first of these is the 'rationalist' assumption about the extent to which firms undertake environmental scanning and are able to make strategic decisions based on an assessment of perceived imminent dangers, opportunities and threats. There is also an assumption that firms, based on this information, rationally decide what action is to be taken and develop a plan or strategy to achieve this course of action. A rational view, therefore, suggests that upon deciding to develop a closer relationship with suppliers, customers, or a rival firm, companies plan this process logically and thoughtfully weighing up all the costs and benefits in the process.

In relation to small firms' inter-organisational activities, the suggestion that organisational decisions are undertaken as deliberately as the more 'rationalist' perspectives of the strategic management literature suggests, is worthy of close attention. Questions and perceptions concerning alternative ways and processes through which firms might develop inter-firm relationships begin to form and a

curiosity to explore other motivations and driving forces begins to emerge. For example, to what extent are there more factors at play than external driving forces? Whilst a turbulent competitive environment might stimulate the external need to develop alliances and cooperative behaviour, to what extent do other (possibly more internal) motivations also have an important role? In emphasising internal motivations and the governance of transactions between firms in industrial markets, it is here that the markets-hierarchies, or organisational economics academic debate, makes a substantial contribution.

The Nature of Exchange: Markets-Hierarchies Debate

Early debates on the nature of exchange relations between firms were developed by the exchange theorists from the 1960's (Levine & White, (1960); Gouldner, 1961; Akinbode & Clarke, 1976; Metcalfe, 1976;). In particular, they were concerned with the micro relationships between independent and non-related agencies in the market place. A useful working definition of inter-organisational relationship which focuses on the "exchange" element is proposed by Levine & White (1960):

> "organisational exchange is any voluntary activity between two organisations which has consequences, actual or anticipated for the realisation of their respective goals or objectives (p:588).

This gave rise to a much larger debate on the nature of exchange between economic actors in industrial markets which was taken up by writers concerned with the efficiency and effectiveness of exchange relations. This is known as 'transaction cost economics' which regards the transaction as the "basic unit of analysis and holds that an understanding of transaction cost economising is central to the study of organisation" (Williamson, 1981:548). In defining the 'efficient boundaries of the firm', transaction cost analysis encourages the firm to focus on the costs involved in "make or buy" choices. So firms choose between either organising an activity internally or making recourse to the market in order to find a company to perform this activity for them. Such make or buy choices in inter-firm linkages are located within

the 'markets and hierarchies' debate (Williamson, 1975; 1991; Powell, 1987).

In terms of the market-hierarchy debate, firms are argued to have two options to consider when they are looking to produce or source a new commodity. The first option is provided by recourse to the market to find a supplier. In the market place, it is suggested that firms can bargain one supplier against another for the best possible price. This option is facilitated if the product is commodity-like and well understood whereby features can be well evaluated against other suppliers. Furthermore, prices are market based because of competitive alternatives and transactions are quick/easy and have no carry over effects as long as the goods are delivered in the stated time according to the stated specification and quality. In addition, within a traditional market transaction, it is suggested that there is no mutual expectations or obligations and the possibility of individuals in firms exchanging on the telephone getting to know one other is ignored. In short, it is assumed that ties of mutual knowledge and orientation do not take place.

Within the markets-hierarchies debate, the second option that is considered is for companies to internalise and undertake certain economic activities themselves. The advantages of this option are that the company is assured of control over important technologies, expertise and specialisms and can rely on the product/good being produced on time to the right quality and specifications. By internalising the activity, the risks are high because the company is incurring all the costs of the activity and has to find the manufacturing capacity. The company is also vulnerable in the sense that if the market collapses for this product, then it has to bear that risk/cost. So rather than internalise the activity, the markets-hierarchy perspective suggests that firms might consider externalising the activity. The advantages to the firm of selecting this option is that they can pass on the uncertainty of markets/demand by using subcontractors to a greater or lesser extent in times of demand or recession. Some loss of autonomy in terms of control over quality and delivery and technology may occur, in that there is an element of sharing and dependency on one or a few suppliers. But the overall advantage, it is suggested, is that firms have recourse to a specialist network of suppliers who bear the burden of the overheads, external costs and

changing market demands. In short, exchanges that involve uncertainty, recur frequently and require high financial or human resource investments, move from the market to the hierarchy when knowledge specific to the transaction is built up. This is because of bounded rationality (Simon, 1957) whereby it is not possible to cover for all contingencies within a contract with external suppliers. So fear of opportunistic behaviour by economic actors which can potentially increase the competitive advantage of rival firms to the detriment of the dependent firm, pushes firms to internalise an activity (Blois, 1971).

The transaction cost analysis, however, argues that even if external costs are cheaper than internal costs, this alone is not enough to encourage firms to externalise economic activities. If this was the case there would be much more extensive inter-firm subcontracting and co-contracting networks than there is in practice. The reason for this is the costs involved in negotiating, monitoring, coordinating externalised or subcontracted activity. In addition, the fear of dependence and concerns over how reliable a subcontractor is, the diffusion of a firm's strategic assets and likely risks associated with this, means that the costs of transacting have to be added to the initial costs of externalising an economic activity. Therefore, if the external costs plus transaction costs amount to less than the cost of internalising the activity then, it is suggested that a subcontracting activity should take place. Over time, it is suggested that a good manager or entrepreneur will lower the transaction costs through developing knowledge and expertise in managing external relationships. According to transaction cost analysis, closer cooperative relationships are then developed as a result of a desire to drive down costs.

As the central tenet of the transaction cost analysis is to assess what makes firms organise themselves in one way as opposed to another (ie market or hierarchy), it is not surprising that partnerships and cooperative relationships between firms are placed somewhere in the middle of a continuum - with transactions in a free market at one end and total internalisation or hierarchy at the other. Table (1) below from Fletcher (1993a) identifies some key criteria for exploring the markets, networks, hierarchies debate. The point to emphasise is that within the markets-hierarchies debate, the

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Table 1

MARKETS - HIERARCHIES - NETWORK FRAMEWORK

	MARKETS	NETWORKS	HIERARCHIES
TYPE OF EXCHANGE	Competition	Co-operation	Control
GUIDING MECHANISM	Price	Trust	Rules Routines Institutionalisation
TYPE OF PRODUCTION	Low Cost	Flexible Special's Technology Specialist Skills Short Runs	Economies of Scale High Volume High Speed
MOTIVES	Choice Fast Straightforward	Flexibility Reduce Transaction costs The Devil You Know Reliability	Reduce Uncertainties Frequency Access to Important Resources Control
TIME FRAME	Spontaneous non-repetitive No carry over	Medium- Long Term Historical Build Up	Long Term
NATURE OF BUSINESS PEOPLE	Self Interest	Mutually Supportive Reciprocity Sharing, Pooling	Self Interest
PERSONAL ELEMENTS	Limited	Extensive	Intensive
IMPLICATIONS	No Carry Over	Shared Understanding Obligations Indebtedness	Task Definition Performance
SOCIAL CONTEXT	Non-Existent	Commonalities Shared Understanding	Rules, Common Ways of Doing Things
METAPHOR	Billiard ball	Cobweb	Pyramid

motivation for the development of buyer-supplier relationships is seen to arise purely from the firm's desire to lower economic costs.

In one sense the advantages of this "continuumisation" of economic relations is useful, in that it recognises that relationships between firms are not static and that they evolve over time and can move from one organisational form to another (ie from market to network type relation). The weakness of transaction cost analysis is that it focuses totally on the "economising" aspects of organisations' activities and ignores other (more social, cultural) factors. To see organisations in purely "black-box" economic and economising terms is to see only half the picture. But whilst Williamson (1981) recognises the importance of other influences (such as power, resource dependency), he reinforces transaction costs analysis as the predominant way of understanding why firms pursue one type of inter-organisational relationship as opposed to another.

What this discussion highlights is that debates concerning inter-organisational relationships have traditionally been located within the markets and hierarchies debate. Furthermore, attempts at understanding closer, cooperative forms of economic coordination have also been located within the markets-hierarchies framework. What this has led to is the tendency to "continuumise" inter-firm relations along a dichotomy according to the criteria discussed above. As such inter-organisational relations are seen as 'hybrid' or intermediate forms of organising, neither market nor hierarchy but combining some elements of both resulting in quasi-hierarchy and quasi-market relations (Powell, 1987; Borys & Jemison, 1989; Wolf, 1991).

These views of inter-organisational relations discussed in this chapter have reviewed a number of different perspectives which range from 'open-systems', environmentally determinist, strategic management and market-hierarchy debates. However, it is possible to argue that these perspectives impose boundaries to further conceptualisations of inter-organisational relationships. Also, throughout these

perspectives inter-firm relationships are seen in the context of some other academic debate and are not recognised as distinct and unique forms of organising. In addition, the social and cultural factors/motivations facilitating (or obstructing) the development of inter-firm activities are neglected. For example, what about the embedding of firms in networks with customers and suppliers as a result of continued interaction and transaction over time? The assumptions which underpin the transaction cost approach emphasise that firms operate in isolation of other firms around them (or that there is little or no connectedness occurring between firms as a result of their transactions). Another assumption is that firms are always more interested in the best possible price to the exclusion of other factors and that price or the lowering of costs are the determining factors in the development of inter-firm relationships. Other issues of assured reliability and quality are seen as subsidiary to price and cost reduction. Furthermore, the traditional 'market' perspective assumes that people in firms do not talk to their contacts in other firms and are not tied into local networks through personal ties and family relations. It makes the assumption also, that individuals who work in companies come to their jobs and separate their daily work tasks from their personal lives - lives which are embedded in associations with friends, informal and formal network contacts (from school, college, spouses, friends of friends etc.). In short, within the markets-hierarchies debate the social or human element is understated during the economic exchange and the firm is assumed to be separate from the larger societal context.

However, an academic approach which does acknowledge the importance of the local social, cultural context, personal or social networks and family/kinship ties in facilitating inter-firm activities, is the Industrial District perspective of regional economic studies. This is now considered.

Industrial Districts - Regional Development

Concerned with the ways in which industries organise themselves, a range of studies have been undertaken on the **nature of industrial organisation** within regions of Europe (Saxenian, 1989). From this perspective, it is argued that the principle of

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'flexible specialisation' guides and shapes the organisation of industry. Flexible specialisation, it is argued, is a consequence of a crisis of mass production or Fordism, whereby mass markets have become saturated and consumers are demanding more specialised differentiated goods which the mass production system cannot respond to (Piore & Sabel, 1984). As turbulent markets can no longer be effectively managed or controlled, organisations have to respond quickly and 'flexibly' to changing conditions (Hardill, Fletcher and Montagne-Villette (1995). In this way, flexible specialisation is both an outcome and a shaper of industrial organisation characterised by the simultaneous fragmentation of labour processes into increasingly specialised tasks.

In line with the transaction cost economists, writers from this perspective argue that as markets grow, firms need to develop economies of scale and scope, and when these economies (falling production costs) are achieved through externalising production activities, the proliferation of webs of transactions and interactions develops between firms (Scott & Storper, 1986). Small firms are especially well placed in this process in their ability to provide flexible and specialised products or services. It is argued then that 'Industrial Districts' emerge from this proliferation of linkages and constitute dynamic regional production systems which are composed of product specialist small firm networks (Amin, 1994; Piore & Sabel, 1984; Pyke et al, 1990). The term used to describe such regional systems of production based upon flexible specialisation is industrial Districts'.

It is noted by researchers (De Otati, 1991; Chauvet, 1991) that the term 'Industrial District' was first used over 100 years ago in the context of industrial development within Sheffield and Lancashire by Alfred Marshall (Marshall, 1920; 1923). Marshall indicated that an industrial district - an agglomeration of SMEs in the same area - could be a mode of organising production in certain manufacturing industries in ways which are different from the large firm. However, the success and distinctive features of such local economies reflect and draw upon something more than agglomeration economies. They have a specific 'industrial atmosphere' which emphasises the: interdependence of firms, flexible firm boundaries, cooperative competition and the importance of trust in reproducing sustained collaboration amongst firms in the

district (Harrison, 1992:471). Furthermore, this specific atmosphere generates an innovative milieu for industrial renewal.

Whilst there has been extensive discussion on the viability and replicability of the 'industrial district' system for other regions within Europe (Fumagalli & Musatti, 1993; Storey, 1994; Harrison, 1992 Sabel, 1989; Salais & Storper, 1992; Lorenze, 1989; Storper & Harrison, 1991; Saxenian, (1989), this is deemed to be difficult to achieve because of the conceptual ambiguity which surrounds the idea of the regional milieu (Johannisson, 1994). However, in terms of theoretical explanation as to why and how inter-organisational linkages grow and develop within a particular region, the 'industrial district' perspective makes a significant contribution. This is due to the acknowledgement given within this perspective to the more 'social' aspects which shape inter-firm transactions.

An approach which extends beyond the 'industrial district' debate and which appears to provide opportunities for a more sophisticated conceptualisation of inter-organisational relationships is the network perspective. An attempt is made now to define cooperative or inter-organisational relationships with the aim of reconciling these inter-firm linkages with a network approach. In so doing, it is argued that a network perspective enhances academic conceptualisations of inter-organisational relationships. A network perspective provides for a distinctive conceptual framework that can accommodate elements of mutuality, reciprocity and tieing-in that are realised in the evolution of inter-organisational relationships. But firstly, in order to provide a bridge between inter-organisational linkages and a network perspective, some common features of inter-firm relations are identified.

The Network: An Organisational Perspective of Inter-Firm Relations

The approaches reviewed above provide some useful insights into the complexity of inter-organisational linkages. However, it is claimed that they do not go far enough in attempting to understand the cooperative (i.e. mutuality and reciprocal) elements of inter-firm relationships. In an earlier paper (Fletcher, 1993a) an attempt is made to

differentiate between types of alliances, partnerships. However, the intention now is to focus on the aspects which these relationships have in common. As discussed earlier, cooperation and collaboration between firms implies a type of relationship that is something more than a straightforward one-stop market transaction. Such a definition is offered by Metcalfe, (1976):

> "deliberate coordination of disparate activities of members of the organisation set which arises from organisational division of labour and strategic response to problems where one company can not do something by itself" (p:339).

But the very fact that a relationship is labelled "cooperative" implies something more than coordination. The following definition illustrates this:

> "Voluntary cooperative relations which join together otherwise autonomous organisations for joint production, provision, or allocation of resources or activities" (Akinbode & Clark, 1976:102).

Or as defined by Wolf, (1991)

> "cooperative agreements which involve a pooling among firms of specialised assets and capabilities" (p.641)

Aspects of 'pooling' or 'sharing' of activities between firms illustrate those element of cooperative activities which makes them distinctive from other exchange activities. The importance of Mariti & Smiley's (1982) "long term explicit agreement between two or more firms" (p.437) is seen as less important because, in practice, many relationships have a number of implicit, even unspoken elements. Thus, the term 'emergent' is better than "long term". This is the case because a relationship might be long term but at various stages it might lie dormant for a while and be 'warmed up' according to need. Nonetheless, these definitions still do not bring in the elements of connectedness, mutual obligations and reciprocity that can be perceived to be

important in a cooperative relationship. A definition that encompasses all the reciprocal, interdependent elements is difficult to find so a working definition of a cooperative inter-organisational relationship is constructed:

> "the act of firms **working together**, developing a **mutual orientation** based on aspects of **reciprocity** and **interdependence**. The act of tie- ing in economic actors into a framework of **mutual obligations and expectations** out of which emerges **trust**".

In proposing this working definition which is deliberately more precise than the definition given earlier by authors Grandori & Soda (1995), a bridge is built to link inter-organisational relations and a network perspective. The extent to which it is conceptually feasible to link cooperative activity with 'networks' is dealt with in the next section. However, the argument which is emerging is that the network is a useful mechanism for exploring the evolving connectedness and interdependence between firms which accrues as a result of inter-firm cooperative activity.

The Network Perspective

This part of the chapter argues in favour of a network approach for the study of inter- organisational relationships. Initial justification for the network approach arises from the important shift in the traditional unit of analysis of the firm in micro theory as purely a production function which is concerned with the allocation of internal resources according to criterion of efficiency and effectiveness. The network approach, (like transaction cost analysis), takes the transaction or exchange as its unit of analysis. However, instead of seeing transactions purely in economic terms, the network approach acknowledges other (more social) dimensions of the transaction. A web or net of inter-organisational transactions does not arise purely from the externalisation of activities and the desire to lower transaction costs (Johanson & Mattsson, 1986). Instead, a network approach sees a firms' transactions and exchanges as arising from embeddedness in a contextualised local network. The importance of this approach is that it acknowledges that firms do not operate as

islands in isolation of other firms in their context (Hakansson & Snehota, 1989). This suggests a different perspective from the Hobbesian view of human or business nature. Instead, a network approach acknowledges that, whilst managers and entrepreneurs are self-interested operators in their attempts to manipulate industrial markets, they are also moral or social beings (Boissevain, 1974) and since they are dependent on others to achieve their (self) interests, they need to take into account the behaviour of others. As such, their transactions and exchanges with other stakeholders in the firm's environment have the effect of 'tieing' firms into networks of mutual obligations and reciprocal exchanges.

In association with the Uppsala Industrial Marketing School in Sweden, Easton & Axelsson (1992) and Easton & Araujo (1991) have developed a number of metaphors for discussing the network concept. They adopt **structure, relationships, position, process** as constitutive metaphors for constructing theories about the nature of inter-organisational networks. These, they argue, are useful target domains for evoking, explaining, exploring the exegesis of networks. For example:
a) Network as Structure

In common with the **Industrial District** perspective, "the network as structures" metaphor suggests a macro view of industrial markets as "nets" or "cobwebs" of interactions between firms. The network then becomes a structure which binds together actors and activities and a complex critical mass, in terms of quantity and quality of enmeshing and embedding of interactions, occurs between actors and activities. However, this approach takes an 'outside-looking-in' perspective of inter-organisational relationships emphasising the synergies between "nets" which are necessary for encouraging the growth of the network whole or structure.

b) Network as Relationships

In a micro perspective of networks, the firm and its multiplicity of inter-organisational relationships is the unit of analysis. The network is seen from the point of view of the focal firm and as such the network is constituted by the "array of complex

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relationships" (Johanson & Mattson, 1988) or "aggregations of relationships" (Easton & Axelsson, 1992) between firms. The Uppsala group of industrial marketers (op.cit) have developed the **Interaction Approach,** in which they focus on the bilateral and multilateral interactions between firms in order to understand the behaviour of firms in industrial markets. The company is seen as a node in a pattern of interactions and from this perspective the network is "a system of interrelated activities/resources/interactions" (Johanson & Mattson, (1984:p.4) which are sustained by four aspects of interaction: capability, mutuality, particularity and inconsistency. Over time, these interactions evolve and become embedded or enmeshed with other types of relationships. As such technical, economic, social and informational bonds tie firms together indicating levels of intensity or dependency.

c) Networks as Process

This perspective acknowledges that networks emerge over time and this emergence is shaped by the power processes at work within networks and organisations. Easton & Axelsson (1992) argue that "network processes are dominated by the distribution of power and interest structures... whereby some firms have better access to resources than others" (p.22).

d) Networks as Position

This metaphor encourages a view of networks as "aggregation(s) of interlocking positions" (Easton & Axelssson:19). Mattson (1984) defines a position as a role that the "organisation has for other organisations to which it is related" (Mattson, 1984). Hakansson & Johanson (1984a) take this further and relate network position to 'strategic identity', referring to a firm's role and position in relation to other firms in the industrial network.

It is argued then, that a shift towards a network perspective is important because it recognises that organisational behaviour and inter-organisational relationships are only meaningful in the context of the networks in which firms are located (Metcalf,

1976). As all managers and entrepreneurs are embedded in existing webs of relationships (with customers, suppliers, competitors, personal contacts, trade associations, family and friends), new relationships and activities take place within the frame of existing relationships (Johanson & Mattson, 1986). It is necessary therefore to analyse: the network of relationships that managers/entrepreneurs are prescribed with, those they construct and the way in which they manipulate, mobilise and organise internal resources around network actors. This, it is argued, is worthy of focused research attention and study.

What this discussion of the network literature leads to is an argument that in practice, the market place is not as straightforward as the "mechanical and quiescent" markets/hierarchies continuum suggests (Powell, 1990). Instead, Powell (1990) in shifting from support of the "hybrid" position of 1987, argues that 'fitting' economic exchange into the markets-hierarchies continuum is unhelpful and distracts from the ability to explain other forms of collaboration. He suggests the need for a new "conceptual tool kit" to describe and analyse network relations (p.301). Thus, networks become a generic form of economic exchange (Grabher, 1993). It is unhelpful therefore, to develop a dichotomy (market-hierarchy) and then try to fit forms of economic exchange into such pre-determined frameworks. Companies' activities, in practice, do not easily fit into either/or market-hierarchy categories. It is argued then that the network approach be accepted as a unique way of organising. It is not to be seen as a hybrid, but as something distinct and unique, a separate mode of exchange and one with its own logic (Powell, 1990:301; Larson, 1992).

The final part of this chapter is concerned with developing further a conceptualisation of networks as a mode of exchange which is different from a hierarchical or market exchange. In order to substantiate networking as a legitimate mode of exchange between individuals in firms, inquiry into the dynamics and forms of governance which facilitate the emergence, growth and coordination of inter-organisational networks needs to be undertaken. To facilitate this, explicit attention needs to be drawn towards the socially embedded nature of inter-firm activity. It is the ability of a network approach to explore aspects of trust, mutuality, reciprocity and connectedness

between firms which makes the network perspective distinctive from other approaches.

Institutionally Embedded Nature of Inter-Organisational Networks

The concern to draw greater attention to the ways in which economic action is embedded in structures of social relations in modern industrial societies has sparked a whole academic debate concerning the role of social/personal networks in organisational activities (Mitchell, 1969; Boissevain, 1974; Tichy, Tushman & Fombrun, 1979; Granovetter, 1985; Birley, 1985; Aldrich & Zimmer, 1986; Rosen & Woodward, 1987; Johannisson, 1987b; Butler & Hansen, 1991; Hansen, 1991; Larson, 1992, Ibarra, 1993; Ram, 1994b; This literature sees the network as a set of relational contracts between firms, which, it is argued, are easier to manage if such inter-firm relationships are supported by a corresponding network of social relationships. These authors argue that organisational activities in general, and entrepreneurial processes in particular, are embedded within a social context. Furthermore, these processes are channelled, facilitated or constrained by people's positions in social networks. One of the most influential texts on social networks is Boissevain (1974) in which he defines social networks as:

> "the social relations in which every individual is embedded may be
> viewed as a network" (p.41)

The personal network, therefore, is the social context (partly ascribed and partly achieved) through which pressure is exerted to influence the behaviour of others. The social network literature argues that when attempting to understand organisational activities, it is important to take account of the social context and network of relations into which a person is born and which they continuously construct throughout their lives. In terms of management and organisational activities, the personal network provides a reservoir of social relations which can be used to mobilise support, advice and resources (Boissevain, 1974). Writing on the social structure of competition, Burt 91992) suggests that social capital is an arbiter of competitive success and that a

company can achieve competitive advantage through the location of players in the company's network. In addition, Johannisson (1992, 1993) argues that the personal/social network is important as a unit of analysis, as it becomes the means through which managers/entrepreneurs organise their context. Therefore, by attempting to understand the role and function of managers' personal/social networks in terms of how they are manipulated and managed to achieve organisational goals, further academic understanding of the entrepreneurial processes through which companies acquire their strategic capabilities, is enhanced.

The argument emphasising the institutionally embedded nature of economic relations has its roots in the pre-network literature where a broader range of transaction governance structures other than the market or hierarchy were recognised. Ouchi's (1980) "clan" which highlights the regularity of interchanges and the situatedness of all parties in a strong textual community, is an important contribution. However, the three most influential contributions which have influenced the thinking in this thesis are now considered.

Firstly, there is Granovetter's (1985) seminal work which encourages researchers to rediscover the 'social' in inter-firm relationships. The argument is a rich and fertile one and worth paraphrasing, as it is the focal point of the conceptualisation of networks for this thesis. Granovetter (op.cit) reminds readers that economic behaviour was heavily embedded in social relations in pre-market societies. However, this changed with industrialisation and modernisation processes and the market became separated from society. As a result, the economy and market in which firms operate has become a separate, autonomous, differentiated sphere. In modern societies, economic transactions (as epitomised by transaction cost analyses) are no longer defined by social, kinship ties but by rational self-calculating individuals. Traditional economic studies argue that not only is economic behaviour _not_ embedded in the social sphere, but that the social sphere emerges from economic behaviour. Thus, Granovetter refers to an under-socialised conception of economic relations in which the Hobbesian autonomous, rational, self-interested individual can be identified as one who indulges in economic behaviour resulting in the emergence of economic

and social institutions. On the other hand, an over-socialised conception of economic relations is provided for in perspectives which give greater weight to the presence of a social context/sphere, from which kinship bonds emerge and lead to the emergence of economic interactions and institutions.

However, rather than adopting an either/or, under/over-socialised position, Granovetter argues for a focus on social relations between economic actors and the influence of these social structural factors on market behaviour. The justification for this being that dyadic economic relations are embedded in a broader system of social relations. Within this perspective, the "anonymous market" is virtually non-existent in economic life because all transactions are rife with social connections. Granovetter continues to argue that there is sufficient overlay in economic transactions across firms in the market to argue that economic behaviour is embedded in networks of interpersonal relations.

This line of argument was also developed by Putnam (1993) in a study of civic culture in Italy, whereby the causal links between economic development and civic community are examined. The findings of this research illustrate that the civic community is closely related to levels of and continuing social and economic development. There is a strong correlation between civic solidarity and continuing economic development in that: "a dense network of secondary associations both embodies and contributes to effective social collaboration" (Putnam, 1993:90).

What is emerging from this **Institutional Embeddedness** perspective is a core concept which provides the first layer to the conceptualisation of organisational networks being constructed here. This core concept acknowledges the importance of the social context and the social influences: customs, habits, norms - the cultural software - which shapes the behaviour of economic actors. In addition, it is argued that socio-economic embeddedness can be usefully explored through a network approach, because of its ability to investigate aspects of mutuality, connectivity and interactivity which emerges from inter-firm behaviour.

Summary

The key objective of this chapter was to examine the network literature with a view to developing a more adequate conceptual base for further studies in chapter two and three. A network approach is proposed for the framework of the thesis for its ability to explore the socially embedded nature of economic activity. The advantages of combining a network and socially embedded perspective whereby:

"economic action.... like all social action..... is affected by actors' dyadic relations and by the structure of the overall network of relations" (Grabher, 1993:4),

is that it places the relational network (whether social, personal or economic) as central to organisational activity. At the same time, the network concept has the ability to acknowledge the role of the social context in facilitating (or impeding) inter-firm relations, in that all relationships are embedded and take place within a wider social context. The network is a useful concept for investigating inter-firm activities because it aids understanding of the processes through which organisational relations are shaped and realised. It is also envisaged that the network concept provides opportunities for investigating the extent to which socially embedded economic relations impedes or facilitates entrepreneurial and transition processes and the ways in which these processes configure to influence the strategic capabilities of the company.

Given that metaphors comprise a crucial vehicle through which people construct their realities (Easton & Araujo, 1991), it is argued that metaphorical perspectives of networks provide a way of developing conceptualisations of organisational networks. By adopting the approach to networks (as structure, process, position and relationships), it is possible to conceive of a 'network' perspective of inter-organisational relations. In this way, no one metaphorical perspective on networks is adopted. But instead, like the painter approaching a blank canvas, the initial process of organising daubs of coloured paint onto the palette is undertaken. Throughout this process, contemplation of which colours could be combined and mixed to reflect the

right shade of an image, is taking shape. This is the method adopted at this stage of the thesis, laying out the concepts, metaphors, approaches to network studies, making some critical modifications and adjustments to the tools in order to achieve the required richness and depth of inter-organisational connectedness. The frame of the study is constructed, the task now is to elaborate, enrich and polish the conceptual framework.

Conclusion

This chapter has examined some initial questions concerning the nature of inter-organisational relationships which were of interest to the researcher at the start of the research process. A critical review is undertaken of the inter-organisational literature, examining the different academic debates that attempt to understand inter-organisational relations. It is argued that whilst there is a wide range of perspectives of inter-organisational networks, there is nevertheless a lack of conceptual understanding of the inter-organisational network as a mode of exchange which is distinctive from other modes of exchange.

The tendency for the literature to adopt an 'outside-looking-in' perspective of inter-firm activities which tends to coalesce the connections between firms into a totalities or systems of interlocking parts, is the first criticism to emerge. The weakness of this environmentally-determined 'systems' view, lies in its tendency to see inter-organisational linkages as important purely for their contribution to the overall effective working of the network system. Thus, an understanding of the particular processes which give rise to individual organisational linkages are subjugated to an analysis of the 'sum' of inter-firm linkages. This provides the initial disquiet leading to a search for alternative ways of understanding inter-organisational linkages.

The need to develop a distinctive analytical framework which is appropriate for analysing more cooperative modes of organising between firms, is argued for. Such a framework is provided by the "network approach". The chapter proposes a network perspective on inter-organisational relations for its usefulness in studying the ways in

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which firms interact, connect and build mutuality with other firms in their environment. In addition, the network approach is proposed for its acknowledgement of the role of the social context within which, it is argued, all economic transactions are embedded. The personal/social network is suggested for its potential usefulness in enhancing academic understanding of the ways in which 'social embeddedness' influences the entrepreneurial and strategic capabilities of organisations.

In view of the different approaches and ways of exploring the network, some clarification is needed as to the unit of analysis adopted within this thesis. The chapter opened with the question of whether the network is a characteristic of firms or a way of organising in industrial markets. Through this chapter, the concept of network has been explored as a mode of organising between firms inter-organisationally. Following the traditional network literature, the perspective of networks reviewed is that of an 'outside-the network-looking-in' position. However, having explored the network (and related literature) from this perspective, for the next chapter an 'inside-the network-looking-out' perspective will be adopted. From this point in the thesis, therefore, the organisation is taken as the focal point of the network.

Chapters two and three develop a deeper conceptualisation of organisational networks. Whilst, chapter one has focused on the **inter-organisational network** in which firms are embedded, the next chapter shifts to a deeper level of analysis - **the internal organisational relational network.** This is particularly important as the link between the inter and intra-organisational relationships is a neglected area of the literature (Knoke, 1990). Chapter two argues for the need to focus on the dynamic processes which emerge from and give shape to internal relational networking patterns. The epistemological and ontological assumptions underpinning the network debate are discussed with a view to developing an alternative methodology. A social constructionist methodology facilitates a conceptualisation of business networking, which, it is argued, has the potential to enhance understanding of strategic organisational change processes.

Chapter Two

Conceptualising Business Networks

This thesis is concerned with developing a conceptualisation of organisational networking which facilitates the study of strategic change and entrepreneurial processes within the small firm. Chapter one was concerned with developing a network perspective on organisations. Given that economic interactions in and around the firm have the effect of connecting firms together and can result in mutuality and interdependencies of varying kinds, the network is proposed as a useful tool or device which is able to investigate connectivity and interdependencies between firms. An "outside-the- network-looking-in" perspective on inter-organisational relationships provides the starting point for the development of a network perspective on organisations. The chapter reviewed the different approaches to the study of industrial networks and concluded by highlighting the need for a more sophisticated conceptualisation to accommodate both 'grounded' and 'socialised' perspectives on inter-firm activities. Two critical standpoints emerged from chapter one.

In discussing the nature of organisational relationships between firms in industrial markets, chapter one introduces the concept of 'network' as a useful tool for analysing forms of economic coordination. However, the chapter goes on to argue for a shift in the level of analysis away from the external business environment and the ways in which inter-firm relationships are important assets or strategic weapons necessary for firms to respond to environmental turbulence. It is argued that there is a need to move attention away from the 'composite totalities' of inter-firm network structures and the extent to which they constitute efficient economic systems. Such perspectives, it is argued, have been encouraged by an "outside looking in" perspective of inter-organisational activity. Instead, emerging from chapter one is an argument which suggests the need for an alternative perspective of inter-organisational linkages -one which focuses on the particular processes giving rise to the shaping and patterning of inter-firm linkages.

The second critical standpoint which emerges from chapter one is the need to embed inter-firm linkages within a social or cultural context. This challenges the traditional view of relationships being spun out, spatially, across organisational boundaries. Facilitated by the theory of 'social embeddedness', it is argued that inter-organisational relations emerges from and are shaped by the social relations between individuals within organisations. In this way, social relations are important for structuring market behaviour. Therefore, a conceptual and methodological approach which is capable of investigating the organisational processes which both embody and realise inter-firm networking activities is much needed in network studies. The task of chapter two therefore is to take forward the socialised network perspective of organisations, in order to develop a theoretical framework that enables the study of strategic organisational change processes within small firms. This task is facilitated in two ways.

Firstly, in view of the inter-organisational level of networks explored in chapter one, the starting point for this chapter is the intra-organisational level. In order to explore the complex processes which embody and realise networking patterns, a shift to the internal organisational network as a level of analysis is necessary. At this level, 'inside-the-network-looking-out', there is greater potential for developing deeper insights into the processes which give rise to, rather than the outcomes of, organisational networking patterning.

The second task of this chapter is to develop a methodological perspective on organisational networks which enables a study of the complex organisational processes which arise from and are shaped by the relational patterns inside and outside of the firm. This is done through a discussion of the ontological and epistemological assumptions which underpin the "network" approach. The intention is to develop an alternative methodological perspective of organisational networks.

A Network Perspective of Organisations

Firstly, it is necessary to discuss the network perspective in relation to what Kay (1993) refers to as the internal structure or 'architecture' of organisations. In arguing that inter-organisational action is embedded within a social context and drawing attention to the reservoir of social/personal networks as a means of exploring social embeddedness, the basis is provided for a network perspective of organisations. The conceptualisation that begins to emerge is one of organisations constituting unique 'patterns of network relationships', which are facilitated and nurtured by the social/cultural context in which a firm is located. From this perspective:

> "organisations are constantly producing and being produced within a
> particular set of social relations, thus organisations are deeply rooted in
> a social context" (Morgan, 1990:224).

This provides the potential for analysing organisations in terms of multiple internal and external networks of relationships which result from patterns of interactions. Within such a perspective, organisations are seen as distinct and unique, determined by the dynamics and interplay of internal/external networking patterns. In short:

> "The organisation of social relations thus becomes a central concept in
> analysing the structural properties of the networks within which
> individual actors are embedded" (Knoke & Kuklinski, 1991:173).

Exploring the organisation of social relations from a network perspective provides researchers with the opportunity of investigating in depth the ways in which social relations are negotiated and aligned and influence the strategic orientation of the organisation.

The first part of chapter two is concerned with developing a perspective on

organisations 'as sets of social relational networks'. Such a perspective is important for exploring the processes and dynamics through which inter-organisational network linkages and related strategic capabilities emerge. In one sense, what is emerging is a contingency model, by which the complexity of the inter-organisational network is contingent upon the complexity of the intra-organisational network. Such a contingency model of inter and intra-organisational network makes an important contribution to network knowledge in two ways. Firstly, the nature of the link between the two approaches is under-researched in the network literature (Knoke, 1990). Secondly, to link the two perspectives provides considerable potential for developing more substantive theorising of organisational networking processes. As Knoke (1990) quoting Fombrun (1986) suggests:

> "the study of intra- and inter-organisational relations has been artificially segregated for too long, theorists are slowly realising the necessity of combining these complementary approaches. A more complete understanding of organisational processes will unfold by linking the two" (p.87).

Moreover, it is possible to value Tichy's (1981) suggestion that organisational research incorporate a network perspective. In particular, very little network research has been done in terms of organisational behaviour (job satisfaction, leadership, absenteeism, job design, motivation) and a network approach would make a valuable contribution in researching these areas. In addition, it is possible to argue that only limited research has been undertaken to explore how organisational networking patterns facilitate or obstruct the entrepreneurial process and influence the strategic orientation and capabilities of firms. Thus, the thesis is arguing that in-depth understanding of inter-and intra-organisational networking practices is useful for exploring the strategic capabilities of small firms, in terms of their ability to be entrepreneurial, to manage change, transitions and renewal. However, the immediate task of chapter two is to review the intra-organisational network literature with a view

to developing a **network perspective of organisational action**. This adds to the conceptual framework of this thesis.

Organisational Networks: Forms, Structures and Typologies

The literature is rich in the range of network structures used to describe organisational activity. Also referred to as 'internal architecture' - or the network of relational contracts within or around firms - the relational network is one that cannot be written down or easily re-produced, in that no single individual understands more than a small part of the whole (Kay, 1993). The dominant types of relational networks that interact inside the firm are outlined by Ibarra (1993). These networks are presented here as 'analytically distinct' for the purpose of delineating the dominant characteristics of each 'type'. These networks are:

a) *Prescribed networks*

> "A set of formally specified relationships between superiors and subordinates and among representatives of functionally differentiated groups who must interact to accomplish an organisationally defined task" (Ibarra, 1993:58).

b) *Informal or Discretionary networks*

> which "involve more discretionary patterns of interaction, where the content of relationships may be work related, social or a combination of both" (Ibarra, 1993:58).

c) *Instrumental networks*

> which "develop out of the purposive action of social actors who seek to

realise their self interests, and....negotiate routinised patterns or relationships that enhance these interests" (Ibarra:p.58, quoting Galaskiewicz, 1979:16).

Furthermore, the network literature has developed a number of network typologies, aimed at making sense of different types of network structures. These are exchange, communication, political and social networks (Szarka, 1990). Exchange or production networks (Johannisson, 1987b) constitute the trading partners of the organisation, whereas communication networks, Szarka (1990) suggests, are the collection of:

"organisations and individuals with which the (small) firm has non-trading links that inform its business activities, such as consultants, advisors.... characterised by official and semi-official information flows" (p.12).

But also communication channels are an important predictor of 'power' relations in that:

"information exchanges can empower an actor by giving it access to data...so that well known political phenomena can be interpreted as consequences of such communication network structures (Knoke, 1990:12).

Types of power or political networks resulting from combinations of influence, domination and access to information/resources can take shape as "coercive" (Pyke, 1988), authoritative, elective, egalitarian or persuasive network types (Knoke, 1990). But generally power networks refer to those relations within the organisational setting where:

"The group's demand that orders of the superior be obeyed makes obedience partly independent of his coercive power (ie domination) or persuasive influence over individual subordinates and thus transforms these other kinds of social control into authority" (Knoke, 1990 quoting Blau & Scott, 1962:29).

In the same way that social, political and economic networks are distinguished and separated within network studies, traditionally, informal networks are separated from formal networks in the organisational context. However, Ibarra (1993) criticises the lack of academic discussion on the factors that govern the relationship between formal and informal structures, the degree and nature of the alignment and the extent to which resulting patterns affect individual and organisational action possibilities. She goes on to argue that the problem with viewing the formal configuration of organisational roles as distinct and separate from, or something above the actual procedures and patterns of interaction that do take place, is that this shifts attention away from the processes and individual action taking place. Empirical evidence seems to suggest that formal and informal networking patterns may overlap considerably at the organisational level (Krackhardt, 1990) and therefore are hard to distinguish from each other. This would especially be the case in terms of small firms with only vague (or non-existent) organisational structures. However, as analytical categories, these relational networking patterns have some use.

In organisation studies more widely, the same debate concerning the role of formal v informal organisation structures is much more advanced. Traditional scientific management places greater emphasis on the formal principles of job/work distribution, whereby organisations are seen as "collectives oriented to the pursuit of relatively specific goals and exhibiting highly formalised social structures" (Weick, 1995:70 quoting Scott (1987:22) and therefore conforming to more 'rational systems' (Weber, 1947; Simon 1957). However, Roethlisberger & Dickson (1939) suggested that organisations could be described as social systems in which the informal relations

between employees and outside stakeholders were important analytical aspects. In contrast to the 'rational' and 'open systems' views, organisations are alternatively seen as 'natural systems' (Roethlisberger & Dickson, 1939; Barnard, 1938), whereby firms are "collectives whose participants share a common interest in the survival of the system and who engage in collective activities, informally structured to achieve this end (Weick. 1995:70) quoting Scott, 1987:23). These informal aspects are highlighted by Ibarra (1992), who suggests that "much of what occurs in organisations is only remotely related to the social exchanges prescribed by the formal organisational chart" (Ibarra, 1993:58). People are involved in multiple, dynamic and overlapping webs of relationships. Friendship ties may produce similarity in ways of viewing the world, but information and opinions are also routed by informal power hierarchies that structure interaction between people who see the world very differently.

It would seem feasible therefore to adopt an approach to the study of organisations which is able to cross and bridge the formal/informal and the social/political/economic. Such an approach is provided by a network perspective with its potential ability to analyse the informally structured nature of work activities as they arise from the social exchanges and prescribed interactions between organisational members. This is referred to by Weick (1979) in terms of tight or loose coupling between what he refers to as elements (or people, processes, activities) of the organisational network. Loose-tight coupling is a multi-dimensional concept, whereby organisations might have interdependencies which are to a greater or lesser extent, tight or loose, formal or informal and political or social in varying degrees and intensities. So as Ibarra (1992) suggests, network researchers should search for simultaneously occurring patterns of tight and loose coupling.

In studying the extent of loose-tight couplings and patterns in organisational setting and assessing how individuals get things done, the network approach provides some rich concepts. Diversity and density in the range of network contacts (Burt, 1982) is

one approach which can be used to assess how managers manipulate and get access to much needed resources and market information. Diversity refers to differences among contacts within the actor's network (ie broad range) which allows wide and unrestricted access to instrumental resources (Aldrich & Zimmer, 1986; Brass, 1984). The 'wide range' usually refers to network contacts beyond the workplace, as opposed to narrower network contacts which are nested within limited groupings and can actually inhibit access to important resources. Network density, on the other hand, refers to the extensiveness of personal or business contacts. These can constitute 'first order' linkages which grow in familiarity and intensity over time and which then provide indirect access to second and third order linkages (Boissevain, 1974) to the partners' network. Thus, the network becomes a rich resource bank of contacts, opportunities and information potentially enabling managers to manoeuvre around formal and informal structures in order to achieve personal and organisational goals.

However, in spite of proposing a network perspective of organisations, some criticism with traditional network studies can be made. As identified above, attempts to make sense of organisational networks tend to focus on the "form" or structure of organisational networks, from which network typologies are then categorised. However, these attempts to categorise networking practices are not entirely helpful. This is because they force a conceptualisation of organisational networks into which researchers are encouraged to fit network characteristics. Secondly, the active, dynamic features of networking patterns reflect aspects of the political, social and personal - all at the same time. In trying to make sense of 'political networks', 'social networks' and 'communication networks' in terms of organisations, there is a danger of network researchers becoming too set on fitting patterns into a given network typology, rather than exploring the processes which give rise to such networking patterns.

In focusing on the structural characteristics of networks, the traditional approaches within the network literature have emphasised a particular ontological and

epistemological view of organisational networks. The next section discusses and challenges this established 'way of seeing' organisational networks with a view to exploring alternative epistemological perspectives of networks

Epistemological and Ontological Aspects of Network Studies

As suggested in chapter one, the current business environment and associated business literature has many examples, discussions and studies concerning the role and importance of inter-organisational relationships occurring in industrial markets. As a result, a review of the literature in this area uncovers a wide variety of approaches to the study of networks (cf Johannisson, 1993;). Whilst this is useful for enhancing academic understanding of network forms and typologies, such approaches are less relevant for investigating the processes of network patterning. The ontological assumption that underpins the majority of network studies is that of networks as entities which exist "out there" objectively in the real world, external and independent of the people involved in the networking process. The dominance of an 'objectivist' view of organisational networks has been facilitated and reinforced by:

a) the traditional 'structural' approach to the study of networks, which is concerned with identifying the characteristics and features of network structures or wholes, which exist 'out there' in industrial markets, waiting to be 'captured', analysed and categorised;

b) the often normative dimension of the network literature, as discussed in chapter one, whereby networks are set up as 'strategic assets' which firms can purposefully acquire (Jarillo, 1988). From this perspective networks are seen as objective phenomena, that can be captured, understood, organised and made useful/efficient for those companies using them 'strategically', and

c) the separation of the network from the social/cultural context and the perspective on

network connections as spatial linkages which bind firms together across industrial markets.

To focus on a single ontological perspective of organisational networks is limiting and inhibitive of alternative 'ways of seeing'. The following section discusses the ontological and epistemological aspects which have underpinned the network debate, with a view to developing an alternative ontological perspective.

Materialistic v Idealistic Perspectives of Networks

Giddens (1984) argues that sociology has concerned itself too much "with the issue of producing adequate knowledge" (Craib, 1992:3), adequate in the sense that knowledge must capture the world as it is (ie the reality principle). This preoccupation with 'reality principles' prevents researchers from looking at the 'real' social world as it is perceived by those people living in and trying to make sense of that world. This is also the case in relation to network studies.

A dictionary defines "network" as:

> "an arrangement of intersecting horizontal/ vertical lines, like the
> structure of a net. A complex system of railways, roads etc. A group
> of people who exchange information, contacts for professional or
> social purposes". (Concise Oxford)

This definition reflects the traditional ontological and epistemological views of networks. It also reflects a materialist perspective which underpins academic understanding of organisational networks. A materialistic view of the world, emphasises the solid objects amongst which we live in the physical world. Material objects are derived from concrete substances that are easily recognisable and accepted by people in order for them to make sense of the things around them in the physical

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world. In short, a materialist view of networks is popular because a common understanding about what constitutes a network is possible through the measurement of the weight, size and density of a group of people, railway or transport network.

For example, in the American literature on networks, the general approach to the study of networks is to 'see' them as 'material and seen things'. This view gives rise to attempts to identify the density of people in a given network and representing these linkages by thick and thin lines between people in order to show the level and intensity of interaction. Whilst Ibarra (1992) and Ibarra & Andrews (1993) usefully identify how positions in informal/formal networks influence the work place perceptions of people in organisations, they still adopt a quantitative, survey method to map out people's interactions. It could be argued that this stems from the perceived need to make network contacts real, physical, tangible and measurable forms. This is done in order to help people make sense of, accommodate and organise those events/objects which occur and exist around them. Identifying and 'making real' the material characteristics and features of networks, for example, is indicative of the traditional social scientific approach, which is only concerned with knowledge that is certain. In theorising about how knowledge of networks can be created, the traditional network studies are still entrenched within a 'physical sciences' approach. Such an approach tempts network researchers to prove that all real things (ie networks) have to be derived from concrete measurable substances (ie density, intensity of network contacts). From this perspective, valid social science research encourages the measurement of the material and physical features of networks as they exist "out there" in industrial markets, separate from the processes which give rise to them.

In view of the dominant ontological view of organisational networks, it was quite difficult to conceive of alternative ways of 'seeing' networks (Fletcher, 1994c). However, some disquiet was felt with the ways in which network studies appeared to be more concerned with producing adequate knowledge which corresponds to and matches how networks are seen to exist objectively, rather than focusing on networks

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as they are produced inter-subjectively by networkers. The problem with traditional approaches to networks is that they do not focus on the epistemological problems involved in network construction (ie networking). Epistemological concerns with developing knowledge about how networks are made and constructed through day to day organising and sense-making processes are central to the development of more substantive theorising of organisational networking. Upon reading about 'cultural knowledge in organisations' (Sackmann, 1991, Smircich, 1983), the scope for developing an alternative ontological perspective of organisational networks was found.

Sackman, (1991) examines the notion of whether culture is something organisations **have** or whether organisations **are** cultural settings. This became a useful way of thinking about networks, namely the extent to which networks are something companies **have**, or whether a company **is** a network form of organisation. This question also relates back to the initial inquiry of chapter one, which raised the issue of whether the network refers to certain characteristics of an organisation or whether it refers to a particular way of organising. By shifting from the view that 'networks' are not assets that a company acquires, but that organisations **are** network forms of organising, is the point at which a move away from the traditional objectivist and materialist approaches can be made. At the same, time some philosophical reading provided further support for such an alternative ontological perspective of organisational networks.

Aristotle's distinction between substance and form is a useful way of developing this ontological discussion further. For example, as suggested by Aristotle, a horse can be outwardly identified as a common form, or outline. However, although horses can be stallions or geldings, black or grey etc., they are still identifiable as the form "horse". So there are certain features which are common to all horses which distinguish them from other animals. That which is common to horses and distinctive of all horses is their <u>substance</u>. But what is important about this substance is that it has the potential

to become a horse (or presumably other things). The substance strives towards an innate potentiality. Every change or mutation is a transformation of substance from the potential to the actual. Also once the form is realised, this places limitations on what the form can then become.

This distinction is a useful one to explore in terms of networks. Whilst most network researchers are still concerned about the form of networks and pay lip service to the processes (ie density, intensity of interactions) which give shape and patterning to those forms, they neglect a fuller understanding of the aspects which give rise to networks because they start with a common idea of what a network look likes. The main concern in researching organisational networks is attempting to identify and clarify the **form of networks** and produce adequate knowledge of what constitutes formal, informal, political, instrumental networks. The concern for producing adequate knowledge which matches and corresponds to 'real' networks has neglected the study of those processes which give rise to and are distinctive of all networks.

In order to emphasise the dynamic features of network patterning, it is important to explore relational networking patterns in terms of power, friendship, gossip, advice, obligations as they simultaneously influence interactions. These aspects are all part of everyday social exchange and interaction. Thus it is through social relational patterns that people organise their business lives. This reinforces the perspective being pursued in the thesis which is one of organisations as recurring sets of social relations and interactions through which social process of negotiation, manipulation and accommodation are worked through. However, in order to study the dynamic aspects of network patterning what is needed in network studies is a 'process' perspective.

Organisational Networking: From Structure to Process

This section argues for network studies to focus on the organisational processes which embody and give rise to networking activities and patterns. The study of the

processes which stimulate networking patterns is a neglected area of the literature. This is due to the fact that in the main, the network literature still gives predominance to the structural characteristics of the network apparatus. As discussed earlier, most of the network research concentrates on the totalities of network structure and testing of network positions/characteristics/attributes which make up network wholes (Knoke & Kuklinski, 1991); Easton & Axelsson (1992); Johannisson, (1992); Aldrich & Zimmer (1986) or configurations of relationships, actors and interactions (Johanson & Mattson 1984, 1985, 1986, 1988. But whilst these approaches are useful in terms of understanding and quantifying the proximity or density of inter-network contacts they still tend to lean towards a "systems view" of networks.

As argued in chapter one, a 'systems' view is insufficient for explaining the dynamics of organisational networking. This is particularly so in terms of investigating the role of the social context in facilitating/obstructing networking patterns. As Kanter & Eccles (1992) suggest, little attention is paid within the academic literature as to how these networks are constructed by their members . They argue that "the kind of knowledge that can be made available through studying network characteristics and the network organisation needs to be supplemented with knowledge about how to build and use networks" (p.527). In order to analyse the features and characteristics which endows networks with their vitality and distinctiveness, it is important to shift to the processes of network constructions. To focus on the creative processes of network constructing shifts the emphasis away from the structures and totalities of networks, to studies of the day to day processes of networking activities (Monsted, 1993).

The demand for such a process perspective of organisational networks follows developments within the study of sociology, in which there has been a general shift in sociological theorising to a "slow but persistent re-orientation from the traditional emphasis on social totalities and systems with specific structures/characteristics", to an emphasis on individuals and action (Sztompka, 1994). Also, in organisation

theory, Reed & Hughes (1992) identify three phase of theoretical change. The first theoretical phase is characterised by environmentally determinist, systems based or contingency approaches, which are concerned with the adaptability of organisational designs to environmental problems and opportunities. The second theoretical phase, they argue, emerged as a critique of the perceived 'static' systems approach, wherein the new features to be highlighted were the power and political processes through which individuals manipulate, interpret and construct external demands and pressures. Finally, a third theoretical phase has emerged which places greater emphasis on the cultural, social and political processes and context through which organisations are socially constructed (Reed & Hughes 1992)

A processual perspective then, is important for underlining an interpretation of the structure of organisations as:

> "the present product of social processes of interpretation, negotiation, conflict and accommodation among diverse sets of participants who possess distinctive conceptions of their interests within organisations and differential resources which can be deployed in the pursuit of these interests" (Watson, (1995c:6 quoting Elger (1974:91).

As such, organisational activities are constituted through a relationship between the social and cultural processes which link the organisation with the societal context (Watson, 1995b). So in organisation studies, it is not just that structures determine action, but also that organisational action and processes determine organisational structures.

In relation to network studies, a process perspective would allow a view of organisational networking patterns as constituted through ongoing social processes of interpretation and negotiation which cannot adequately be conceptualised in "systems" terms . As argued above, the structural emphasis of network analysis has

some advantages, but to focus on the modelling of relational networks without reference to the social and cultural relations that shape the network, is to ignore the active, dynamic features of organisational networking. Networks by contrast are seen here not as static, stable phenomena but as dynamic and flexible, in a constant state of flux, adapting rapidly to changing market conditions and customer need. As Ibarra (1992) rightly says:

> "the emphasis has been on opportunity and constraint derived from structure, as opposed to actions and strategies that create structure" (p.166).

In a later article (Ibarra, 1993), she also makes a criticism of network analysis because it does not have well developed explanations of mechanisms producing variation in structural characteristics. Here, she concludes that structure is not all determining and that individual action plays an important role in the structuring social networking patterns to achieve personal goals. This provides for the possibility of describing the organisational network as an 'opportunity structure for action' (Ibarra, 1992) whereby internal and external organisational networking patterns provide opportunities (and constraints) for organisational action.

So, as in the case of organisation and strategy studies (Pettigrew, 1992; Van de Ven, 1992) more widely, an attempt to incorporate a process perspective within the study of organisational networks would shift academic attention away from the form and shape of network structure and instead would place greater emphasis on the processes through which networking patterns are constructed and sustained. As such, the perspective of organisations developing within this thesis, as constituting unique patterns of network relationships which are embedded within a social/cultural context, is further reinforced. However, having established the importance of dynamic processes and patterns of networking, it can be seen that a new vocabulary contributing to the study of managerial networking is emerging. The language is

emphasising the creative, constructive and active side of organisational life. Potentially this provides the network researcher with a new 'treasure trove' of terms, concepts and metaphors for understanding the complex ways in which firms organise themselves and how this shapes their strategic capabilities. However, whilst chapter three is concerned with the ways in which these active relational networking patterns become realised, within the next section it is necessary to develop a methodology which is appropriate for exploring the relational networking patterns in organisations.

In emphasising the processes which give rise to organisational networks patterns this allows for an alternative ontological and epistemological perspective. This perspective allows network researchers to "see" networks as "internally" constructed, emerging from the individual ideas, perceptions and ways in which people make sense of their external world. Such a perspective emphasises the active, creative and constructive aspects of organisational networking. Thus, the way in which people in organisations approach, make sense of and organise their daily work tasks, get access to valuable information and resources, is through interaction and networking with others inside and outside the firm.

To extend this 'internal' perspective further, it could be argued that a fully idealist, or romanticist view of network creation would be useful for exploring how networks are internally constructed. Such an idealist view, would mean accepting networking as a process which is rooted purely in the minds of networkers. From this perspective, there would be no external reality of organisational networks, in that the network would be purely a concept, image or metaphor which exists only in the minds of those people familiar with the network language.

The argument being developed is that the 'network' as a real, physical, tangible and objective entity, does not exist. It is discursive concept through which an attempt is made within this thesis to enhance understanding of the entrepreneurial and strategic capabilities of small firms. It follows then that studies of organisational networks

have to begin by exploring the distinctive ways in which the term 'network' or 'networking' is used discursively by people in the small firm. It is argued that a richer contribution to knowledge about organisational networking processes can be gained through the networkers' world of perceptions, ideas and interpretations. So the network as an objective reality does not exist. However, it is, from this perspective a concept or discursive resource which aids understanding of organisational processes and it is this way of 'seeing' organisational networking that provides for the construction of an alternative perspective.

However, whilst the concept of network is purely an organising and sense-making tool or an epistemological device to aid the creation of knowledge about organisational activities and processes, this does not mean it is possible to propose only an 'idealist' view of networking processes. Such an idealist perspective is unsatisfactory because sensory perceptions, ideas and ways of seeing things do not stay in the mind. They are worked out inter-subjectively, through interactions and connectedness between organisational members. The act of interacting, sharing ideas and perceptions produces outcomes, in terms of aligning thinking or action. Repeated interactions build up familiarity and connectedness between organisational members. As networking patterns and interactions become recognised as accepted ways of working or doing, they become institutionalised as legitimate ways of achieving personal and work tasks. It is as a result of the outcomes of interaction patterns and the ways in which these outcomes conspire to shape and influence approaches to work, that the idealist perspective becomes less useful. So what is required then is an ontological perspective of networks which is able to bridge both materialist and idealist perspectives of networks.

An alternative Ontological/Epistemological Perspective

An ontological perspective is required that recognises organisational networks not as objective phenomena that exist outside of the small business owner-manager (the

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external realist position), but neither are they purely the product of the owner-manager's perceptions and interpretations (the idealist position). Instead, a third, intermediate position which bridges these two perspectives is required. Sztompka suggests a 'third intermediate perspective of reality' which captures the flow of social life between the physical and sensory world. He suggests seeing human experience in terms of both perspectives at the same time. Thus, approaches to research do not focus on the material v sensory, or structuralist versus agency, but instead a model of social becoming which bridges the two 'ways of seeing'. Such a bridge is found through the **'internal realist'** position as explored by Watson (1994a quoting Archer, 1988 and Putnam, 1983).

An 'internal realist' perspective recognises that there is an organisational reality which exists outside of the managers as they undertake their daily tasks in the organisation. However, this organisational reality is one which is made sense of by them through the social and cultural interaction processes which typify daily organisational life. All businesses are organisations of people interacting with each other and networking patterns evolve from the intertwining socio-economic exchange processes which connect and tie actors/activities together. It is through daily interaction and exchange that managers in companies learn, experience, develop and validate their role and existence in the small business. The ability to get access to new sources of knowledge and the process of internalising and reproducing that knowledge provides meaning, sense and legitimisation for managers. So through interaction and reflection, people constantly frame and re-frame their interpretations according to that interaction (Goffman, 1970). The strategic interactions (Goffman, 1970) and strategic exchanges (Watson, 1994b) which occurs continuously in organisational life, embodies and realises patterns of activity and connectedness between organisational actors. It can be argued then that organisations constitute networks of social relations and that economic activity is embedded within these networks of social relations.

In effect, what is being developed here is a social constructionist perspective, in which

organisational activity is embedded within a social context. However, whilst this is an important component of social constructionism, the perspective goes much further than merely acknowledging the role of the social context in influencing economic behaviour. The important contribution of social constructionism is that it allows an exploration of the construction of meanings arising from social interactions and exchange. Focusing on the relationship aspect of strategic interaction, it is possible to explore the social relational processes of power, persuasion and negotiation through which people engage in their social networks. It is also possible to explore how these social exchanges influence the construction of individual meanings. Thus, a social constructionist approach to networking goes further in that it allows the researcher to get access to the individual process of meanings-construction within the social (and organisational) context.

In discussions concerning social constructionism, a distinction is made between 'constructionism' and 'constructivism'. The distinctiveness of each is explored in table (2) below. Constructivism according to Gergen & Gergan (1991) is more concerned with emphasising the "cognitive processing of the single observer that absorbs the object into itself" (p.78). Here accounts of the world are viewed as the "external expression of the speaker's internal processes". (p.78). The main objective of constructivism is therefore to map or picture the world as it seen to be understood by individuals. The focus is on individuals and thus knowledge is in individual minds (rather than in relations/interactions) and is therefore personal and subjective.

Table 2 PERSPECTIVES ON SOCIAL CONTRUCTIONISM

	CONSTRUCTIVISM (POSSESSIVE INDIVID)	CONSTRUCTIONISM (REALIST)	SOCIAL CONSTRUCTIONISM (RELATIONAL)
ONTOLOGY (IDEAS OF THE WORLD)	**Idealist (in here)**	**Realist (Out there)**	**Internal realist (both)**
EPISTEMOLOGY (HOW KNOWLEDGE IS CREATED)	**In individuals' minds/personal/-representing what is 'in there'**	**Interactions**	**Through language, shared meanings, collective acts**
FOCUS	**Individuals/personal/ subjectivity/inward looking**	**Outcomes/objects/outputs produced**	**Relations/exchange interactions**
GOAL OF THEORY	**Uncover, map out internal processes, expose new theory, raise consciousness**	**Uncover, map out external structures, 'it-ness' of the world, reify structures**	**Explore meanings construction through inter-actions/relations**
VALIDITY OF ACCOUNTS	**External expression of internal processes representational of what is 'in here'**	**Representational of what is out there- adequate knowledge**	**Expression through language the creation of shared meanings aligned through relational processes (non representational)**
RESEARCH TASK	**Cognitive processing of single observer**	**Explain patterns that are 'out there'**	**Explore meanings as they are constructed through relational processes**

Dachler, Hosking & Gergen (1995) refer to this approach as consistent with 'entitative' or 'possessive individualism' where:

> The individual is understood to be endowed with a knowing mind whose ontology is differentiated from internal and external nature; 'the mind' is the locus of knowing about nature. Individuals are assumed to have access to the contents of their mind; mind contents and knowledge are viewed as properties of entities, as individual possessions (p.2).

Constructionism, on the other hand, is the process of constructing accounts of the world "within shared systems of intelligibility", where accounts are viewed as an expression of the relationships and interactions which people have with each other. "The emphasis is thus not on the individual mind but on the meanings generated by people as they collectively generate descriptions and explanations in language" (Gergen & Gergen, 1991:78),

The key to understanding this debate is provided by exploring the question 'through what processes is knowledge/meaning created'? Three choices are available: in the individual mind; in relationships, groups, families or societies; or in the entities, objects, products or outcomes of interactions. Each of these perspectives is influenced by the ontological views discussed earlier in this chapter (idealism, realism and internal realism) and the epistemological assumptions which underpin these views of the world.

It can be argued that constructivism as presented in the Gergen & Gergen (1991) argument, can be seen to be influenced by a more 'idealist' ontology, where greater emphasis is placed on inward personal subjectivity and knowledge or ideas of the world are constructed in the mind. Alternatively, a more 'realist' perspective of social

constructionism places greater emphasis on the outputs produced as a result of social construction processes. Unlike constructivism, knowledge and intelligibility of the world is not created in the mind but is generated inter-subjectively through interactions and relations with others. However, the distinctiveness of a more 'realist' view of social constructionism is a concern with understanding the "it-ness" of the world and uncovering the patterns which lead to certain outcomes. An example of this would be an attempt to explore the organisational processes/routines involved in succession within a family business where the researcher claims to have 'uncovered' the social constructions which led to certain succession events (Brunaker, 1996). Reification of 'social constructions' arises from a greater emphasis being placed upon the need to show how knowledge of the world - which is inter-subjectively created - manifests itself in terms of outcomes and outputs.

A view of social constructionism which is influenced by an 'internal realist' ontology, on the other hand, emphasises the relational aspects through which meanings are constructed. Watson (1995c) takes up the Sarbin and Kitsuse (1994:12) view of 'strict' versus 'contextualised' perspective on constructionism. They argue that a 'contextualised', rather than 'strict', view of social constructionism recognises that social actors organise their activities and make sense of things in relation to something that exists in the social context in which they live. Thus, as researchers, we examine social constructions within the social contexts in which they are structured. However, the fact that 'social' is emphasised is sufficient for highlighting the importance of the context. Dachler, Hosking & Gergen (1995) suggest that "from a relational perspective the truth value of knowledge becomes a matter of assessing meaning with respect to interwoven narratives recounted within a cultural community" (p.4).... thus meanings, understandings are "always part of 'what is going on' in any social relational process. ....Whether the social process is leadership, management, networking, or negotiation, knowing is always an ongoing process of relating" (p.4).

In view of the 'internal realist' position adopted within this thesis, greater emphasis is

given to the relational aspects through which people in organisations attempt to understand, create meanings and make sense of their daily work activity. However, this does not mean that the 'individual' perspective is neglected but it is possible to argue that this is included to a great extent within the relational perspective. A more useful approach would be to avoid the either/or individual/relational alternatives and instead focus on how each perspective can be 'brought together' within the same framework. The advantage of finding an intermediate point at which both perspectives can be incorporated is that it avoids under- and over-socialised conceptions of human activity (Granovetter, 1995). Such an 'intermediate' position is provided by structuration theory.

Consistent with the approach to social constructionism from an internal realist perspective is Gidden's structuration theory (1984). In his structuration theory, Giddens brings together 'structure and action' within a coherent framework, by suggesting that structure and action should be reconceived as dualities, as two sides of the same coin. He suggests focusing on 'social practices' because in looking at these practices in one way actors and action can be seen. However, looking at them in another enables one to identify structures (Craib, 1992:4). Thus, structures are bracketed so as to look at actors and action. Social practices have structural properties (through enabling and constraining influences) which socialise actors and actions. Social practices both 'embody' and 'realise' structural forms. The dual nature of structure and action is that structures are produced, reproduced and transformed by human action and at the same time structures are the medium of human action.

In relation to the study of organisational networking, social constructionism and structuration theory potentially provide for new ways of 'knowing' and understanding networking patterns. Developing further a conceptual framework for investigating patterns of structuration and the processes through which networking patterns are socially constructed is the task of the next section of this chapter.

Conceptualising Networking from a Social Constructionist Perspective

The previous section established a useful way of conceptualising business networking by viewing organisations as 'sets of social relations' and networking as 'social relational processes'. An attempt is now made to explore networking more specifically from within a social constructionist perspective.

As discussed earlier a distinction can be made between idealist (or constructivist) and relational (or social constructionist) views of networking processes which are influenced by a more 'internal-realist' view of the world. Dachler, Hosking & Gergen (1995) debate these views of the organisational world in terms of 'individual' versus 'relational' perspectives of the management, leadership and networking. They argue that each perspective has a different set of underlying epistemological assumptions which affects the way in which knowledge about management or networking can be achieved.

A discussion of the processes of business networking from each of the three perspectives is now undertaken with a view to highlighting how the different underlying epistemological assumptions influence the way in which knowledge and understanding of networking processes is realised. An additional perspective is included to accommodate more 'realist' views of networking processes where attempts are made to 'expose' causal linkages which lead to the 'uncovering' of network constructions. An interpretation of Dachler, Hosking & Gergen's views of entitative versus relational views of networking are presented in table (3) below. In addition, the more 'realist' constructionist view of networking is added.

Table 3 **EPISTEMOLOGICAL ASSUMPTIONS OF**
CONSTRUCTIVIST v CONSTRUCTIONIST VIEWS OF NETWORKING

EPISTEMOLOGICAL ASSUMPTIONS	CONSTRUCTIVIST (POSSESSIVE INDIVID)	CONSTRUCTIONIST (RELATIONAL)
FOCUS	Individ./subjects/acts of knowing	Relational/ongoing processessof meaning - making
ROLE OF OTHER NETWORKERS	Passive, taken for granted	Active - multi perspectives, two-way process
NETWORKING PROCESS	Moving around, building, constructing networks contracts	Moving around narratives, conversations
RELATIONSHIPS	Subject - object	Subject - subject
TALK/CONVERSATION	Monologue	Multi-loguing Conversations
CULTURAL CHARACTERISTICS	Not relevant	Very important, changing, and context changed by networking/negotiation
PURPOSE OF NETWORKING	Who's who, wide, diverse networks	Narrow networks based on mutuality
NEGOTIATION STYLE	Remove differences, trading, exchange	Find mutuality
SOCIAL/ORG. ORDER	Needs organising, dominance	Self organisation inter-dependence
NETWORK NARRATIVE	Dominance Model, masculine values - individualism	Partnership model, feminine values - relational

Interpreted from Dachler, Hosking and Gergen 1995

Networking from a Constructivist Perspective

Within a constructivist perspective Dachler & Hosking (1995) argue that acts of knowing (or networking) are generated by the individual or subject. Relationships are analysed in a one-way direction (ie subject-object) whereby other people involved in the networking process are seen merely as passive 'others'. Networking patterns are characterised by density and diversity with a concern about who is going to be strategically useful. Talk and conversation through which meanings and understandings are created is seen as a monologic and strategic, focusing on how the singular networker goes about building and constructing those network relations with people who will provide resources or information. The purpose of managerial networking within this perspective is seen to be essential for achieving organisational tasks/goals and improving managerial efficiency. Information collected through networking is seen as providing important 'factual' data about what is happening 'out there' in the environment of the manager and is rationally assessed by the manager (in terms of what is live, good or real). The objective of networking from this perspective is the use of network information, power, resources, authority and position to give shape and order to people, organisational policies, structures and cultures. Therefore negotiating and networking takes place to remove and trade away differences and to create 'social order'. The objective of networking is to gain dominance and superiority over other people in terms of acquiring central positions and controlling important resources.

The processes which influence organisational members' orientations towards each other and empower individuals in their network contacts are based on a combination of power, exchange, friendship, influence, role and position within relational networks (Ibarra, 1993). This perspective is also consistent with the 'network as position' approach discussed by (Easton & Axelsson, 1992) and referred to in chapter one. The factors which facilitate networking processes and patterning within the organisation

and which influence a person's opportunity for action are:

1. Their individual knowledge, expertise and ability to access information;

2. Their individual roles, centrality and reputation in the organisation

3. Their memberships of alliances, coalitions and groups in and outside the organisation.

As a way of investigating how these factors are combined and configured to enhance individual acts of knowing, attention is given within the literature to the relational content of networking patterns (Knoke & Kuklinksi, 1991). For example, the following 'types' of ties are identified within the academic literature

a) *Exchange ties* arise through work role performance and social interaction and involve the exchange of job-related resources, including information, expertise, favours, professional advice, political access and material resources (Levine & White, 1960; Mitchell, 1969).

b) *Communication relations* are those linkages between organisational members through whom and by which messages may be transmitted around the organisation (Knoke & Kuklinski, 1991; Rogers & Kincaid, 1981)

c) *Power Relations* - refers to those relationships where coercive, authoritative demands are made between organisational members (Cook & Emerson, 1978; Knoke 1990;);

d) *Social relations* refers to a broad category of friends, family and acquaintances or personal networks, where friendship ties are based on mutuality and trust (Bossevain, 1974)

e) *Kinship relations* refer to family ties, role relationships amongst family members

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(Boissevain, 1974);

f) *Symbolic ties* are formed from social bonds between organisational members which are based on community ties and collective values (Johannisson, 1987b) .

g) *Sentiment relations* are based on expressions of feelings of attachment, hate, homophyly between organisational members. Also known as *expressive network ties* which involve the "exchange of friendship and social support and are characterised by higher levels of closeness and trust" (Ibarra, 1993:59).

From a constructivist perspective therefore, the way in which knowledge about networking can be created is by examining how organisational members undertake networking in order to identify, possess, access and skilfully manipulate a variety of the above ties. This is done in order to get access to information, advice, resources. which can facilitate the achievement of both organisational tasks and personal goals. It is through exchange and negotiation processes that relational networking patterns evolve but a greater emphasis is placed on shaping people, policies, structures so as to enhance individual status, power and dominance. It is factors such as the knowledge, expertise and ability of organisational members to access information; their role, centrality and reputation in the company; and membership of groups, cliques/alliances (in and outside) of the organisation, which influence the strategic exchange, processes of negotiation and manipulation of relationships. These networking activities and processes through which they are realised can be viewed as defining an individuals' opportunity structure for action (Ibarra, 1992). It is the individual's opportunity structure for action where individual acts of moving around, constructing contacts and generating knowledge are given primary attention.

In summary, this section has discussed how the individual networking patterns of organisational members are assumed to be the locus of networking knowledge within a constructivist perspective of networking. It is within this perspective that most of

the bulk of the literature on networking can be located. It is argued here, however, that deeper insights and understandings of organisational networking can be gained from emphasising the 'relational' aspects of exchange and networking through which knowledge is inter-subjectively shared and aligned. A relational view of networking is developed within the network literature. However, different assumptions, which reflect a 'realist' or 'internal realist' epistemology underlie a relational view of networking.

Networking from a Social Relational Constructionist view

In contrast to constructivism, networking from a constructionist or relational perspective, has different epistemological assumptions. From this perspective, ongoing processes of knowledge creation, meaning-making or understanding are created in the **relational** aspects of dyadic or group interactions. Networking from this perspective, Dachle, Hosking & Gergen (1995) argue, has a different meaning. Networking is seen from the point of view of all of those involved in the networking process. To some extent the views presented by Easton & Axelsson (1992) with his 'network as relationships' approach and the Uppsala School of Industrial Marketing with their 'interaction model' (Johanson & Mattson et at, 1984, 1985, 1986, 1988), go some way in emphasising the relational and patterns of interactions within the network. However, they do not take the relational view any further than attempting to map out interactions and linkages between network members.

Dachle, Hosking & Gergen's (1995) relational view, on the other hand, has much more to offer the study of organisational networking and the processes through which networking patterns emerge and are shaped. The distinctiveness of their perspective is the emphasis given to processes of 'multiloguing' which are more concerned with "understanding the meanings of others' conversations by moving around other peoples' narratives" (p.21). Meaning making is therefore a joint activity, rather than purely "mind stuff" and negotiation is about the trading away of differences between

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people's positions/interpretations. Greater receptivity and acceptance is given to the 'multiple realities' through which shared meaning and mutuality is worked out between organisational members. Creating social or organisational order is based on participation and self organisation. There is, therefore, less emphasis on power, dominance and gaining superiority over organisational peers but instead more concern with seeking mutuality, attachments, connectedness, working things through in processes of alignment and modification.

Networking from a Realist Perspective

Within a social constructionist view of networking, it is also possible to identify more 'realist' approaches. Within such approaches authors are concerned with understanding the inter-subjective processes and relations through which meaning, understanding and knowledge is created. However, in investigating social relational patterns they then attempt to 'uncover' patterns of inter-subjectively shared meanings and make claims to having found or 'exposed' a particular pattern of social constructions. The emphasis here is placed upon organisational outputs and outcomes as they are seen to emerge from the sharing and alignment of inter-subjective meanings. The concern is with producing knowledge about networking patterns which adequately 'fit' organisational reality as it is seen and talked about by organisational members. Within this thesis, the more realist approach to social constructionism is referred to as 'constructionism'. This is done in order to emphasise the reified approach to social 'constructions'.

For example, although DiMaggio (1992) does not adopt the constructionist language, he attempts to analyse relational networking patterns in terms of how they influence the 'mobilisable' and 'obstructive' aspects of the organisation. His method is to identify the structuration processes which occur within the relational network by analysing the 'axes of structuration' between relational networking patterns. The formal versus informal network characteristics/structure is used. Based on the 'axes of

structuration' which occur and result in more or less informal or formal patterns of working, eight possibilities of "organisational types" are developed. Four of these 'organisational types', he argues, are facilitative of organisational action (ie integrative; Weberian Bureaucracy; strong culture and pseudo-bureaucratic). Whereas, the other four (organisational anarchy, fragmented, pathological bureaucracy and clique based) types are obstructive and inhibitive of organisational action (see table 4) below.

The method of exploring 'axes of structuration' is very interesting from an analytical point of view but, operationally and empirically, it is possible to conceive of all of these 'types' in any one organisation at any one time, with varying intensities according to what internal/external pressures, demands had come into play that day or week. Indeed all organisations can be seen as a **mix** of relational networking patterns which continuously cross formal, informal, personal, political, instrumental and friendship networks. To begin with pre-determined categories of the types of relational patterns that might exist within the organisation and to assess how they become aligned in order to examine which patterns dominate reflects a more realist ontology. This also places a greater emphasis on the importance of network knowledge for explaining organisational action and behaviours. However, the division between patterns of shared meaning which are interpreted and constructed by organisational members to mobilise and/or obstruct activities, which is an integral feature of DiMaggio's (1992) model, is a valuable one.

Table 4

Typology of Organisations According to Variation in Macrorelational Structures, Extent to which Relations are Formal-Structured Based, and Extent to which Relations are Attribute Based.

Relations structured around formal roles ?

Relations structured around formal roles ?	NO	YES	NO	YES
NO	Integrative organisation	Weberian bureaucracy	Organised anarchy	Pathological bureaucracy
YES	Pseudo-bureaucracy	Strong-culture bureaucracy	Fragmented	Clique based
	Mobilisable		Stalemated	

From: Dimaggio P. (1992) 'Nadel's Paradox Revisited': Relational and Cultural Aspects of Organisational Structure in Nohria N & Eccles, R.G. 1992

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In summary, a social constructionist view of networking reflecting an internal-realist perspective is adopted as the methodology for this thesis. This methodology provides an 'intermediate' framework which is able to bring together constructivist and constructionist perspectives together within one framework. In addition, this an approach avoids the either-or, individual-relational, under-over socialised and idealist-realist alternatives of organisational networking. The distinctiveness of a relational view of organisational networking is the opportunity to investigate the:

- the ongoing processes of meaning creation as constructed (by individuals) in conversations, dialogue and networking patterns with other work colleagues.

- the ways in which processes of meaning creation are realised in terms of shaping the ways in which people approach their daily work tasks.

Such a perspective is important for providing new 'ways of knowing and understanding' social relational networking processes. However, whilst the social constructionist view of networking developed within the thesis provides for a more sophisticated conceptualisation of business networking, some further enhancements are needed in order to study the processes of meanings-constructions. Such enhancements are provided by adding concepts of 'grounded theory', 'enactment' and 'sense-making' which allow even closer investigation of the social relational processes as they are made sense of, shaped and become realised in organisational action. These concepts are important for incorporating more forcefully the managers' expression of interpretations and perceptions of organisational interactions. This is in line with Bittner's (1965) conceptualisation of organisations as 'schemes of interpretation', which challenges the formal concept of organisational designs. In this way, the purposeful 'discovery of theory', or the theorising process is made from the systematic collection of data from social research (Glaser & Strauss, 1967), in that "generating theory is a way of arriving at theory suited to its supposed uses" (p.3).

Sense-Making through Networking Patterns

Weick (1994:17) identifies seven properties of sense-making that set it apart from other explanatory processes such as understanding, interpretation, attribution. He suggests that sensemaking be understood as a process that is: grounded in identity construction; retrospective; enactive of sensible environments; social and ongoing; focused on and by extracted cues and driven by plausibility rather than accuracy. These seven characteristics each incorporate both action and context and can be seen as representing a sequence whereby:

> "people concerned with identity in the context of others engage ongoing events from which they extract cues and make plausible sense retrospectively, all the while enacting more or less order into those ongoing events" (p.18),

and serve as a rough guideline for inquiry into sense-making by providing "a set of raw materials for disciplined imagination rather than a tacit set of propositions to be refined and tested" (p.18).

Furthermore, whilst Weick argues that it is important to conceptualise sensemaking as a social activity, it is also important to hold different perspectives of the way in which people interact socially. He draws attention to the important point that researchers often talk about 'shared meaning' or 'social constructionism' as if that exhausts all there is to say about sense-making. However,

> "sensemaking is also social when people coordinate their actions on grounds other than shared meanings as when joint actions are coordinated by equivalent meanings, distributed meanings....overlapping of ambiguous events, or non disclosive

intimacy".

Shared meaning, then, is not what is important for collective action but the **experience of collective action** (Weick quoting Czarniawska-Joerges (1992). In this way, social sensemaking does not necessarily mean only shared meaning. Alignment, he suggests, is a more varied way of exploring inputs, joint actions, fitting together, compromise, modification, negotiation, manipulation and is not necessarily indicative of action springing from sharing of common values. Alignment, he argues, is no less social than sensemaking.

Such a view of sensemaking through 'aligned meanings' sits comfortably with the view of relational networking patterns being developed within this thesis. Hence, the network language adopted within the thesis, is that of alignment, configurations, patterns of collective meanings which emerge through processes of negotiation, manipulation and interaction. The intention is to explore the social, enactive, ongoing, retrospective processes through which networking practices emerge and are shaped through the development of a common language. Thus, the crucial set of elements including self, action, interaction, interpretation, are the ways in which people "remain alert to the ways in which people actively shape each other's meanings and sense-making processes" (Weick, 1994:40).

The development of a common language between organisational members emerges through the process of collective interactions, sensemaking and enactments. Wittgenstein (1953) suggests that language and reality are an 'integrated life world' through which people engage, interpret, construct, enact, make sense and modify meanings. Language therefore is important for illustrating the complex and tentative webs of meaning on which so much social practice takes place. It is also through language that collective meanings are enacted and created. It is the focus on language which provides the link to the metaphorical use of 'network' because metaphors become a vehicle through which the researcher can explore the extent of collective

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meanings and the language which is used to make sense of organisational action.

Summary

As discussed above, organisational structure plays the role of providing a framework of ground rules, or opportunity structure for networking inter-action. The organisational structure is seen as a framework of formal and informal relational contracts which consist of a combination of political, social, kinship, instrumental and friendship relational patterns. Thus, relational patterns internal to the firm hold the 'structural properties' (such as the routines, symbols, ways of doing) which influence organisational members in how they approach, make sense of and achieve their daily tasks. At the same time, these sense making categories both embody and realise accepted organisational practices and routines or structural properties.

> "It is the institutionalising of social constructions into the way things
> are done, and the transmission of these products, that links ideas about
> sensemaking with those of institutional theory. Sensemaking is the
> feedstock for institutionalisation" (Weick, 1994:36)

In attempting to study the patterns of collective meanings as they are worked through and aligned via organisational networking relations, "imaginisation" and sensemaking are processes through which the researcher can metaphorically "read" and "write" the world of organisation, management and networks. Exploring sense-making, language, metaphors and processes of enactment within the small firm setting potentially provides a method for analysing strategic organisational processes.

From this discussion of meanings, sensemaking, enactment, strategic or interpretive interactionism, language, metaphors and the institutionalisation of social constructions, further ingredients for a conceptualisation of organisational networks are integrated:

An organisation is a network of interactively shared meanings.
Meanings and interpretations are shared, shaped and aligned
through social networking processes. Collective meanings emerge
which are distinctive of the firm, reflecting the ways in which such
meanings and relational patterns become 'realised' to shape
organisational action and practices. Collective meanings and actions
become institutionalised within the organisation through social
relational patterns and the development of a common language.

Conclusion

In conclusion, this chapter has argued for the importance of shifting to the level of the internal organisational network in order to further enhance the study of the networking processes which interact between external and internal levels. In so doing, a shift away from the totalities of network structures to a focus on the active, constructive side of organisational life, is argued for. This would bring network studies into line with developments in sociological theory, in which agency has been firstly secularised, socialised and humanised (Sztompka, 1994:13). It is argued that much richer insights into organisational processes can be gained through a network perspective of organisations. In line with the social embeddedness perspective, a network approach enables the analysis of organisations as they are constituted by a mix of social relational processes which are continuously aligned and negotiated as organisational members attempt to achieve their daily work tasks and personal goals.

Furthermore, a discussion concerning the ontological and epistemological aspects of organisational networks studies has argued for a focus on the processes which create network patterning, rather than the 'form' of networks. Focusing on the processes

which give rise to networking patterns is a neglected area of the network literature, especially in terms of qualitative approaches. An alternative ontological perspective of organisational networks is adopted, which rejects the 'network' as an objective reality which exists outside of the organisation. Instead an 'internal realist' perspective sees an organisational reality existing outside of the organisational members who work there, and the 'network' becomes a discursive resource through which people interact with each other and make sense of their daily organisational reality. A social constructionist methodological approach is proposed for its ability to explore the construction of meanings arising from social and strategic interaction. In addition, this approach to social constructionism is consistent with structuration theory which allows the study of networking practices and action as they embody and realise structural forms.

Throughout this chapter, I have moved to the view that a perspective of networking can most usefully be seen in terms of the inter-subjective meanings which are worked through and aligned through strategic interaction. Reflecting the third, intermediate ontological position, discussed earlier, no longer is an attempt made to pre-define what is a network pattern or practice within an organisational setting. Instead, a framework is developed which allows a study of the ways in which organisational members talk about their daily approach to work and how they make sense of patterns of work activities. The second main argument of the thesis therefore emerges. This builds on the argument emerging from chapter one that a network approach is a useful way of investigating organisational processes. This network perspective is extended and deepened conceptually and methodologically in order to argue that:

A study of sensemaking and the alignment of inter-subjective meanings through relational networking patterns is a way of investigating organisational processes.

The task of the next chapter is two-fold. Firstly, the intention is to extend the social constructionist view of organisational networking developed within this chapter to a

discussion of the entrepreneurial and strategic orientation of a family business. A review of the strategic, entrepreneurial, organisational change and family business literature is undertaken with a view to extending the network conceptualisation as useful for investigating the strategic orientation and response to change within a small family firm.

Chapter Three

Strategic Change within the Family Business

Central to this thesis is an argument that a network perspective can enhance understanding of organisational strategic change processes. The first three chapters are concerned with developing a conceptualisation of organisational networking which facilitates the study of strategic change processes.

The network concept is introduced in chapter one where it is argued that this network approach is useful at one level for investigating the mass of external interactions and linkages which people in organisations develop with others in and around the firm. However, the tendency to over-emphasise environmentally-determined "outside-looking-in" views of inter-organisational relations is criticised. Instead, an argument is made to re-orient studies towards a more socially-embedded view of organisational activity which acknowledges that economic transactions and interactions are shaped by the socially embedded network of relations which stakeholders in and around the organisation daily shape and construct. Given that economic interactions in and around the firm have the effect of connecting firms together and can result in mutuality and interdependencies of varying kinds, what is needed for analytical purposes is a framework to help investigate connectivity and interdependencies between firms. The network approach is proposed as a useful framework for undertaking this task particularly in view of the importance this perspective gives to social contextual influences.

Chapter two advances the conceptualisation of organisational networking being developed here. The argument which emerges is that the structure of organisations be analysed in terms of the multiple internal and external relational networking patterns which arise from the exchanges and interactions organisational members have with other stakeholders in and around the firm. In contrast to chapter one, the second chapter focuses on internal networking patterns as a way of re-orienting network studies towards the dynamic and constructive side of network patterning.

A review of the academic approaches to network studies in chapter two reveals that "forms", "structures" or "typologies" of organisational networks tend to dominate the network literature. This is traced back to a singular and dominant 'realist' ontological perspective on networks and means that the active and constructive side of network patterning is neglected. A processual view of organisational networking is therefore proposed as a way of facilitating understanding of the processes through which organisational interactions/relations are shaped and realised. In addition, a social constructionist perspective of organisational networking is adopted, central to which is an 'internal realist' view of the world. It is argued that a social constructionist perspective facilitates the study of shared or collective patterns of meaning which emerge from daily relational patterns which give shape to, and are shaped by, organisational activities and processes. This methodology is distinctive as it provides the opportunity for studying networkers' worlds of perceptions, ideas and interpretations as they are continuously worked out inter-subjectively through social relations, interactions and connectedness with other organisational members. Shared or collective meanings emerge and are aligned and negotiated through relational patterns which, over time, become institutionalised within the firm. It is proposed that this conceptualisation of organisational networks has considerable potential useful for enhancing understanding of strategic organisational change processes within organisations in general and small firms in particular.

Chapter 3 is concerned with adding further depth to the conceptual perspective of organisational network patterning being developed within the thesis. The claim being made is that a social constructionist view of organisational networking has wide potential for enhancing the study of strategic organisational change processes. The primary task of this chapter therefore is to extend the conceptual framework by examining the strategic, entrepreneurial and organisational change literature. The intention is to integrate the main analytical perspectives of these approaches. This is done with a view to establishing the ways in which a social constructionist view of organisational networking can advance understanding of strategic change processes. Furthermore, as the organisation being studied within this thesis is a family business,

a discussion of strategic organisational change issues is undertaken in the context of small family firms.

This chapter is divided into three sections. The first examines the strategic change literature. The second section is concerned with reconciling the adopted perspective of strategic change with views on entrepreneurialism. A discussion of entrepreneurship and change in the context of small firms is developed. The third section reviews the literature and approaches to studies on family business. Integral to each section is an analysis of the ways in which a social constructionist view of organisational networking can enhance the study of strategic change processes within the family firm.

Towards and Understanding of Strategic Change: Approaches and Narratives

Organisational change is widely discussed but, in spite of this and the many change models which have appeared in the literature, there is still room for more sophisticated conceptual approaches for understanding the complex processes of change. In particular, there are only limited frameworks available for understanding transition processes in small firms. In the case of small firms, where there is often an informal or simple organisational structure, it could be argued that the management of organisational transitions is a simple and uncomplicated process. On the other hand, in a small firm with close and multiplex ties between long serving organisational members, transitional processes could also be very complex. If the small business is also a family business in which family relationships influence decision-making processes and the management of the company (Leach, 1994), then the transition process is potentially even more complex. The challenge therefore is to develop a conceptual framework for characterising complex processes of change within small family firms.

Wilson (1992) acknowledges that there are many difficulties in approaching the subject of change given that its very nature is often transient, and intangible" (p.6). In addition, change occurs continuously within the organisation whether slowly or

transformationally. Approaches for understanding and explaining organisational change are wide-ranging. Wilson (1992) outlines these as: structural (organisational design, organisational-environment fit); behavioural (where interpersonal skills, training, communication are emphasised to improve organisational development); and cultural where change is seen as best understood from the point of view of how people in organisations interpret and make sense of change processes.

The debates which dominate discussions and definitions of organisational change issues examine what, how and why change occurs within the organisation. In addition to analysing whether change is behavioural, structural or cultural, writers also debate the processual, planned, emergent and implementational aspects of change within the firm. Wilson (1992) argues that the assumptions which underpin the different approaches are influenced by two dominant 'theories in use': 'systemic conflict' and 'strategic choice'. Both perspectives see the organisation as a social system, however, they reflect different underlying epistemological assumptions. The 'systemic-conflict' (or determinist view) examines the extent to which change occurs from tensions between the competing components or elements of the business system - tensions which impact upon the structures, strategies and cultures of firms. The 'strategic choice' (or voluntarist view) on the other hand, emphasises the tensions and conflicts which are generated internally by individuals as they make strategic choices about how to do their jobs based on their interpretation of what is happening in and around the firm.

Wilson (1992) attempts to bring these issues and debates together by incorporating the different approaches within a four-box matrix. The emergent-planned and processual-implementational views of change provide for analytical categories on the vertical and horizontal axes respectively. This provides a useful framework for examining 'idealised' categories of planned, emergent, processual and implementational views of organisational change. The detailed debates are well developed within the organisational change/development literature but for the purpose of this thesis, the intention is to summarise and integrate the main approaches to strategic organisational change as presented in the Wilson (1992) framework. However, the framework is

adapted slightly to give greater emphasis to the two dominant 'theories in use' within strategic change debates discussed above. This is because the 'systemic-conflict' and 'strategic choice' theories on strategic change are found here to be consistent with debates on managing strategy, entrepreneurialism and networking within the firm. In addition, the constructionist and constructivist views of organisational networking which emerge at the end of chapter two also reflect the dominance of these two perspectives. As such, these dominant 'theories in use' become an integrating device for bringing together the different debates and perspectives on managing strategic change within small firms. Within the framework processual-implementational and emergent-planned views of change provide further analytical categories. The task now is to present the analytical framework of strategic change approaches in more detail (table 5) below.

Debates influenced by 'systemic choice' or environmentally-determinist views of strategic change form analytical categories for the vertical axis. The debate concerning the extent to which change is, can and should be planned on the one hand, or is more emergent and evolving from daily interactions on the other, is retained and forms analytical categories on the horizontal axis of the framework. The processual and implementational views are subsumed within the planned-emergent discussion of strategic change. This framework gives rise to four analytical categories which although idealised, provide a useful means of analysing the strategic change and entrepreneurship literature. This allows for different conceptualisations of change to begin to take shape, but at the same time, it is possible to trace the influence of the dominant 'systemic conflict' and 'strategic choice' theories on change.

Table 5

Framework of Approaches to Strategic Change

	Planned "Needs Organising"	Emergent "Self Organisation"
Systemic Conflict	* change determined by external driving forces which impact on structure, strategy; * environment - chaotic turbulent but solutions to be found here; * conflicting needs and demands of components of business system, continuously adapting; * need to get access to good resources/ contingency/ environmental fit; * change structures, strategies, markets.	* as across ⟵ but conflict tensions within system is shaped and determined by internal pressures and historical, socio-political antecedent factors of company; * change is context-based, emergent, evolutionary, processual; * change context , double loop learning.
Strategic Choice	* driving forces for change come from individuals who make choices/interpret environmental threats/ opportunities; * change determined/shaped by internal pressures and needs to overcome resistance, obstacles, alliances, cliques; * modify behaviour, shape people, reward.	* managers gather information, assimilate and disseminate, share, make choices; * change occurs in small steps, change constant, evolutionary; * end vision stated but process unclear.
Implications for Change Management	* change vision explicitly stated; * planned and implementable; * aim to change structures, strategies to change people or modify behaviour; * achieve efficiency, effectiveness; * train managers - change agents/masters/ entrepreneurs.	* change democratically agreed; * change emerges through shared consensus - evolves; * acknowledges contextual factors - sensitivity.
Narrative	→ shaping people, policies, structures → controlling, organising, centralised. " DOMINANCE "	→ consensus, self organisation → participation, building mutuality " PARTNERSHIP "

The four analytical categories are now discussed under these two headings.

From the 'systemic-conflict' perspective, it is the tensions and contradictions within the system which determine and provide the impetus for change (Wilson, 1992:21). From this perspective, the environment of the firm is seen as both chaotic and turbulent and so there is a need for greater emphasis upon the leveraging of resources or developing structures and re-making strategies which 'fit' with the seemingly unobtainable goals or opportunities that are seen to exist 'out there' in the environment of the firm (Hamel & Prahalad, 1989). The assumptions which underpin this perspective see organisational change as contingent upon (and shaped by) driving forces which come from outside the organisation. As a result, as illustrated in cell 1, it is assumed that these driving forces be planned for or at least managed to maximise business efficiency and minimise negative effects. It is suggested then that contingency planning be undertaken to a greater or less extent to contain threats or changes in the environment. On the other hand however, the very nature of unstable environments and uncertainty seems to imply that contingency planning to cope with instability and uncertainty is both problematic and difficult. This lends greater force to arguments that strategic (change) management cannot be rational, long term and planned to any great extent. So that instead of seeing strategic change processes as rationally intended, coherent, deliberate and long term, other perspectives suggest that strategic change might also come about in a way which was not intended (Mintzberg & Waters, 1985; Quinn, 1980; Mintzberg & Quinn, 1991).

Moving away from 'planned' approaches to managing change as highlighted in cell one, other perspectives see strategic change as more emergent, evolving over time and being realised in ways that might not have been originally intended. Cell 2 incorporates the more emergent views of change within the 'systems' perspective. This includes perspectives which emphasise the need for an end vision of the required change to be stated, but see strategic change as emerging from the interplay of the historical, political and sectoral characteristics that are peculiar to the organisation (Pettigrew & Whipp, 1991). The emphasis is upon the antecedent factors which have the potential to shape the need for change, the way in which change occurs and

evolves and the extent to which change strategies can be implemented. More emergent views of change within the 'systemic-conflict' perspective tend to emphasise the importance of contextual factors which both facilitate and impede any change process. A processual view is prescribed by approaches concerned with analysing how the vision for change has emerged and been shaped by these factors. The effectiveness of change strategies is determined by the extent to which contextual factors are changed. This means that in cases of superficial change the context is left unchanged (single loop learning) and in transformational change the context is also changed (ie double loop learning, Arygris & Schon, 1978). From the 'systemic-conflict' perspective, strategic change is seen as being stimulated and shaped by complex, pluralistic and contradictory events or forces which compete for attention. As a result, it is prescribed that organisations need to plan and make contingencies (albeit to a greater or lesser extent) to cope with and respond to this turbulent environment.

From the 'strategic choice' perspective on the other hand, organisational change is seen to emerge from the conflicts and tensions between organisational members as they compete with each other to get access to important information or resources which they need in order to be successful and achieve satisfaction in their jobs. In addition, there are pressures 'out there' in the environment which need to be made sense of and manipulated in order to secure privileged information or resources which enhance success in daily work tasks. In terms of strategic change, the main agents and driving forces for change are seen to be individuals who have the potential to be both facilitators of and barriers to change.

The more 'planned' views of change within the 'strategic choice' perspective emphasise the need to carefully plan, manage and implement change strategies (cell 3). Thus, purposeful strategies are needed to facilitate the role of change agents and entrepreneurial people in the organisation and put structures/practices in place which bring about the required changes. There is therefore, a greater emphasis upon the task of implementing change and the managerial task involved in undertaking this. From this perspective, change agents and the structures/practices they introduce have the

dual role of positively reinforcing change strategies and containing any barriers or resistance put forward by individuals, cliques or alliances. The assumption is that change strategies should be planned and communicated in advance with an explicit statement of vision for change and steps through which the change strategy will be implemented. Lewin's (1951) three-phase model of 'unfreezing', 'changing' and 'refreezing' has been much used by practitioners and management academics alike to examine strategic change. However, as discussed above, planned models to change are criticised because of their rigidity and inflexibility in responding to dynamic and turbulent business environments.

As a result, more processual views of change management are proposed which are capable of dealing with the "continuing dynamics of change" and that "explain the process of transition from the initial conception of a need to change through to the operation of new organisational arrangements" (Dawson, 1994:3). The more emergent views of change within the 'strategic choice' perspective (cell 4) incorporate 'logical incrementalist' (Quinn, 1980) and 'shared vision' approaches to change which assume that change can be planned by people in organisations and that the vision of change (and degree of change) can be stated in advance of implementation. In this way, strategic change can occur through successive limited and negotiated shifts or 'logical incrementalism' (Quinn, 1980) whereby changes occur in small, often disjointed and uncoordinated steps. This is partly a response to the reality of business life, where organisations have to be able to 'handle the unknowable' and the chaotic (Stacy, 1993). Coping with demands from stakeholders and changes in the competitive environment, means that firms have to make on the spot decisions based on incomplete information which has been built up incrementally over a period of time.

As change may occur in small steps and strategic change may be 'realised' rather than 'planned', a processual view is prescribed to analyse change over time. The perspective of 'strategic change as process' which emerges from this view of complexity and uncertainty, suggests that irrationality in decision-making and organisational activities is a common feature of organisational life (Brunsson, 1985).

A processual view is important because it focuses on a sequence of events as they unfold over time (Van De Ven, 1992). However, the sequence of events are not presumed, this is open to interpretations and perceptions of organisational members who make 'strategic choices' about how to interpret what is happening in the environment of the firm based on long time experience and knowledge. From the processual view, it is suggested that emergent strategies take shape through "a series of actions which converge into patterns. The strategy process which realises this emergent pattern of discussions and events is a complex, iterative and evolutionary process (Pettigrew, 1979; 1992). Strategy can then be defined as a pattern which can be seen or inferred when organisational action, in response to its environment, is observed over time. As such writers within this perspective, in contrast to supporters of a planned approach, propose that an analysis of the patterns and outcomes which occur over time is more useful for understanding an organisation's change activities. From this view-point emphasis is given to 'managers as doers' (Drucker, 1985) whereby managing and 'strategy-making' is about "crafting" - of doing based on feelings of intimacy and harmony with the craft in hand. At the same time however, whilst the 'strategic choice' perspective emphasises "doing" aspects of change, strategic changes and the way they enacted are also about "visions" which drive and motivate people. The importance of personal vision is forcefully presented in the Gibb & Scott (1985) concept of 'strategic awareness', where the personal commitment of the owner managers in small firms in pursuing particular objectives and the absence of formal planning models, is found by them to be an intrinsic feature of 'strategy-making' in small firms.

The above framework, incorporating 'systemic-conflict', 'strategic choice' and planned-emergent debates about the nature of change in organisations, is a useful one for identifying different approaches and the epistemological assumptions which underpin them. The Wilson framework was adapted to give greater emphasis to 'systemic-conflict' and 'strategic choice' perspectives as these are identified as the dominant theories used in discussions, definitions and debates about the nature of change. It is claimed that this adapted framework is a useful one for discussing the epistemological assumptions of strategic change issues. This is particularly important

in view of Pettigrew's (1992) claim that there is no "theoretical system for fully exploring the strategic change process because there is no tradition of ontological and theoretical discourse which seeks to unravel, debate and clarify the strategy process" (p.9). The task now is to discuss how these assumptions have influenced the way in which approaches to change have been developed. Having worked 'horizontally' through the analytical categories within the framework- that is working within the 'systems conflict' and 'strategic choice' perspectives - the intention now is to continue the discussion of change issues by working 'vertically' through the matrix and discussing 'planned' and 'emergent' perspectives on change. In taking forward the planned-emergent debates of change, two different narratives on change are seen to emerge. These narratives are identified as 'dominant' and 'partnership', respectively embodying planned and emergent views of change. 'Dominant' approaches/strategies of change reflect assumptions concerning the need for people, policies, practices, structures in organisations to be 'organised' and controlled in order to increase efficiency and effectiveness. 'Partnership' approaches on the other hand, reflect a more relaxed approach to managing change with greater emphasis upon allowing change/transition to emerge and evolve through consensus and mutuality. The 'dominance' and 'partnership' narratives are consistent with views on networking which were outlined at the end of chapter two and this link is further reinforced later in this chapter. However, first of all these narratives are discussed in the context of change strategies and entrepreneurship.

As the common feature of approaches within the 'systemic-conflict' perspective is that changes are determined by forces external to the company, it is also assumed that solutions to problems and tensions can also be found in the system. If the organisational system is seen as a multi-dimensional configuration constituted through the interaction of elements of **structure, strategy** and **environment** (Mintzberg, 1984) to form "different constellations of conceptually distinct variables or elements that commonly cluster together" (Miller & Friesen, 1984:4), then solutions can be made by modifying different elements of the system. As a result adapting and modifying configurations, structures, policies, strategies and cultures are seen to be appropriate solutions to reducing tensions or bringing about change. Prescribed

solutions would include the introduction of organisational structures and designs which have a propensity to encourage greater flexibility and creativity within the organisational system. For example, the organic flexible structure in Burns & Stalker (1961) classification and the structure, strategy configurations (Mintzberg, Miller & Friesen, 1984), entrepreneurial structures in the Mintzberg approach (1984), developing entrepreneurial cultures (Drucker, 1985) and networking cultures (Hastings, 1993) and Alter & Hage, (1991). From the 'systems-conflict' perspective, the solutions which are required to bring about change emphasise how configurations of structures and strategies can be prescribed, planned and organised with a view to shaping and influencing the way people do their work. This is identified as the 'dominance' approach to change whereby it is assumed that people, policies and structures need organising and controlling in order to make the organisational system more efficient and effective.

The dominance view also pertains within the 'strategic choice' perspective of organisational change. But here, there is greater emphasis on the need for managers to be 'doing, to be entrepreneurial (Drucker, 1985) constantly shaping, crafting and acting as 'change masters' or agents "scan[ning] the environment and import[ing] the most relevant solution" (Wilson, 1992:21) and inspiring change within the organisation. The catalyst for change is seen to be the individual manager who needs to acquire the necessary communication, negotiation and leadership skills to carry through change policies. The target of visions for change are other people working in the organisation who are seen as needing to be persuaded to support any change strategy. As a result, the main thrust of prescribed solutions is through behavioural modifications with an emphasis on motivation, reward and learning. A vision is articulated to organisational members who are persuaded to 'buy-in' to the vision and through the reinforcement of certain types of behaviour, are encouraged to act in line. Coercive methods are deemed necessary to organise, plan, control and implement change strategies, although they can be applied incrementally or transformationally (Dunphy & Stace, 1988). The dominance view is reflected in the authoritarian top-down imposition of strategies with planned interventions and coercive methods - the whole process of which is guided by specialist change agents.

The 'dominant' approach within the 'strategic choice' perspective, Wilson (1992) argues, tends to be highly normative overemphasising the role of individuals in firms who resist change due to lack of trust, self interest, low tolerance for change. He is critical also of a corresponding over-emphasis upon the individual manager and how they will overcome this resistance and bring forth change. This has led, he argues, to a proliferation of management 'recipes' which seek to provide 'the best way' of managing change in complex organisations. He refers to Kanter (1983) and Peters and Waterman (1982) in order to make the point that "organisational success has become directly attributable to its [the individual manager's] ability to handle and sustain strategic change" (p.3)

In contrast to the 'dominant' approach to managing change which is embodied within planned and implementational perspectives, the 'partnership' way of handling change arises from more emergent views of the change process. From this perspective, there is greater emphasis within the change process upon allowing change/transition to emerge and evolve through consensus and mutuality. The partnership model of change emphasises more incremental and collaborative approaches (Dunphy & Stace, 1988) which are available to managers in bringing about change. The partnership narrative of change can be seen from both 'systemic-conflict' and 'strategic choice' perspectives. The former emphasises a more contextualised view of change whereby the need/requirements for change are shaped by antecedent historical, socio-political factors and the latter emphasises the role of change masters and agents to bring about collaboration and consensus. In many ways this perspective is closer to cultural or interpretive views of organisational change where it is suggested that change be analysed from the point of view of how individuals within the company interpret change/transition processes. The processes through which managers interpret change events for example, are embedded within (and are shaped by) the cultural, historical and political characteristics of the company. As such, a 'partnership' narrative is more reflective of a contextualised view of change in that change processes are more closely tied to the social and political characteristics of the organisation. The 'partnership' model provides an important foundation for a social constructionist view

of strategic change which is discussed later in the chapter.

The emphasis upon developing recipes for building successful organisational structures or ways of working and the need for the individual manager to acquire the necessary communication skills and qualities to modify behaviours or adapt structures/strategies/policies in order to 'bring about change', are the same principles or 'theories in use' which have dominated the study of entrepreneurship. The intention now therefore, is to extend the discussion of change in organisations more widely by incorporating perspectives of entrepreneurship. It is shown that the main theoretical perspectives of entrepreneurialism are consistent with the 'dominance model' of strategic change. The final section finishes by including a discussion of the relevance and implications of 'dominant' v 'partnership' narratives for organisational networking.

Towards an Understanding of Entrepreneurship: Approaches and Narratives

Although, there is a wide literature exploring the nature of entrepreneurialism within organisations, defining entrepreneurship is a very difficult task. However, one thing is clear, the different definition/discussions are more embedded within the 'strategic choice' perspectives - whereby entrepreneurship is seen primarily from the point of view of the person doing the 'entrepreneuring'. Entrepreneurs are seen as special individuals, 'doers' or active people going out into the market in order to: identify profitable opportunities; create new businesses; employ and motivate people; negotiate and manage competitive threats and take risks based on imperfect information. At the same time, they need to be visionary, inspiring and masters of change in order to manage strategic changes and transitions which make the business successful.

Early writers on entrepreneurship have contributed to these views of the entrepreneur. The Botlon Report (1991) and Deakins (1996) suggests that the work of French writer Cantillon (1931) contributed to the original views of entrepreneurship whereby "the entrepreneur engages for profit in the face of uncertain market conditions" (Bolton, 1991:155). Other definitions include the Kirzner, Schumpeter and Casson

perspectives on entrepreneurship. For Kirzner (1973) entrepreneurs are people who are 'alert to profitable opportunities for market exchange' and act as intermediaries or 'impanatore', using their 'entrepreneurial antennae' to identify and exploit new market opportunities. The view proposed by Knight (1921) is that of the entrepreneur as a person taking calculated risks within an uncertain environment. The classical entrepreneur, according to the Schumpeter (1934) definition on the other hand, is an innovative person contributing to economic change and development through the creation and introduction of new technological processes or products. Unlike the Kirzner (19734) definition whereby most people have the opportunity to be an entrepreneur, in this definition only special people with innovative skills can be classified as entrepreneurs. So the entrepreneur is an innovator who can bring about the creation of new technologies and who is able to extend their skills, ideas and ways of thinking on to a team of people in order to about transformation in some way. In a large firm context, 'intrapreneurship' is used to refer to individuals inside the organisation:

> who implement new ideas inside established companies and who, though employed in corporate positions, are nevertheless given the freedom and incentives to create and market their own ideas (Gibb, 1990:33 quoting Haskins & Williams, 1987).

Other entrepreneurship studies are concerned with defining and characterising the small business venture (The Bolton Report, 1971; 1991). The definition of the entrepreneurial venture as a firm that engages in one of the Schumpeter's categories of behaviour (ie a profitable venture; a venture engaging in growth and/or innovative strategic practices), has considerably influenced small business research studies. The definition by Curran & Burrows (1986) illustrates this:

> Entrepreneurship, rigorously defined, refers to the creation of a new economic entity centred on a novel product or service or, at the very least, one which differs significantly from products or services offered elsewhere in the market (p.12).

As a result, a distinction is made between those traditional small business that are independently owned and do not engage in innovative strategic practices, and those entrepreneurial (small) firms concerned with profitability/growth and involved in innovative strategic practices. Many studies have proliferated concerning the motives for start up, size, growth pattern, internationalisation and debates on the extent to which a small firm is entrepreneurial. As a result the subject of entrepreneurship is a complex one offering different perspectives. These range from focusing on individual traits (the entrepreneur); business venture characteristics (entrepreneurship) and more processual aspects (entrepreneurialism) of the business venturing stages.

As is healthy with a growing field of study, conceptual and methodological discussion grows bigger each year. However, two major criticisms can be made of studies of entrepreneurship as they relate to the small business sector. Firstly, during the eighties, a preoccupation with developing a substantive theory of entrepreneurship tended to dominate small business studies. The emphasis was upon 'homogenising' the small business sector by finding correlations, patterns and similar characteristics of entrepreneurial people and business ventures. In order to understand and 'organise' the complexity of entrepreneurship, the main concern was to create a consensus model of entrepreneurship that explained similarities between successful people, ventures and sectors. This has led to considerable emphasis being placed upon 'picking winners' and finding 'recipes' for success, growth, business planning and internationalisation that leads to the creation of new firms and new jobs within the national economy.

A second criticism that can be made is the over-occupation with the personality characteristics and competencies of entrepreneurs - the creative, imaginative, risk taking, achievement, confident and independent attributes of the entrepreneur (McClelland, 1987; Chell, 1985, 1988, 1991). Again, this stems from the need, within a growing field of study, to develop substantive knowledge - that is knowledge about entrepreneurs which has a separate and independent existence from other types of knowledge. However, in emphasising the personal characteristics of the person

starting up a new business venture, knowledge beyond a focus on individuals and personalities, is impossible to conceive of. So that if one generalises about the findings of entrepreneurial individuals and ventures then it is not entrepreneurship, but the way it is reflected in management, which is being studied. Thus only vague entrepreneurial classifications of entrepreneurs are possible just like painters being put into "isms" by experts (Johannisson, 1993).

So how then does the small business researcher attempt to make sense of entrepreneurship and how does this tie in with strategic change? The first step is to end the preoccupation with developing a substantive theory of entrepreneurship. As Johannisson argues, such a substantive theory cannot be developed. So rather than continue with "vain ambitions to create a consensus model of entrepreneurship... greater insights into the inherent character of entrepreneurship can be gained by recognising the ambiguous, paradoxical and contradictory nature of the entrepreneurial process" (Johannisson, 1990:4). Also, Johannisson (1993) argues that researching entrepreneurship means trying to understand and systematise creative acts and by focusing on the way in which entrepreneurs organise their ventures and the creative process itself, rather than its outcome, is the way in which general entrepreneurial principles may be identified. In this way, entrepreneurship researchers are able to identify general principles which are unique to the process of entrepreneurship.

However, whilst creative and innovative processes feature particularly strongly in the early start up phases of new small firms, these processes/principles are not unique to the small business. Instead these entrepreneurial processes occur in most firms (large or small) at varying degrees and varying intensities at different times of the product/life cycle. In existing small and large firms, entrepreneurial processes are still present but they are constructed within a specific context and therefore have a different meaning. Often referred to as corporate entrepreneurship, this process refers to the strategic management of corporate entrepreneurialism (Burgelman, 1985), defined more specifically as:

"all formalised entrepreneurial activities within existing business organisations. Formalised internal entrepreneurial activities are those which receive explicit organisational sanction and resource commitments for the purpose of innovative corporate endeavours" (Schollhammer,1984 in Sexton & Smilor, 1984).

In the context of existing large or small firms, the argument that it is 'fatal to make a distinction between entrepreneurship as an activity that is distinct from managing' (Watson, 1995a) is a fair one. The entrepreneur in these contexts is not a special person who is different from a manager. Entrepreneurialism within existing businesses is about developing innovative strategic practices and can be as much about orientation to change (Gibb & Scott, 1985). Thus the role of strategic management in both small and large on-going firms is to be concerned with:

the entrepreneurial work of the organisation, with organisational renewal and growth and more particularly with developing and utilising the strategy which is to guide the organisation's operations (Pettigrew 1992 representing Schendel & Hofer, 1979:11).

In reviewing the literature and different perspectives on entrepreneurship, the 'strategic choice' perspective can be seen to dominate discussions. The entrepreneur with the special skills is seen as the main focus of the entrepreneurial process. In addition, the 'dominance' view tends to feature very strongly in studies of entrepreneurship, whereby entrepreneurialism is seen as a phenomena that can be reasoned, measured, categorised and prescribed for revitalising declining firms. The 'dominance' perspective encourages the view that in understanding creative acts, recipes of successful ways of organising can be identified and emulated by other firms. In this way greater emphasis is given to entrepreneurship as a phenomena which can be 'reified' and categorised at any one point in time with a view to planning its implementation in ailing firms - rather than an aspect or process which emerges, evolves and occurs all of the time but in varying intensities.

The prevalence of the 'strategic choice' perspective in both the change management and entrepreneurship literature has greatly influenced the way networks are presented and conceptualised in the literature. What is apparent is that 'dominance' and 'partnership' narratives feature strongly in discussions of strategic change. 'Partnership' narratives are less prevalent in entrepreneurship studies except in 'team entrepreneurship' discussions. The 'dominance' narrative features much more strongly here. Furthermore, these narratives are consistent with the constructionist and constructivist approaches to networking outlined at the end of chapter two. The intention of the next section therefore, is to examine how, in the literature, networks are seen to impact upon entrepreneurial and strategic change processes. Following on from chapter two, a further review of the network literature is undertaken in order to illustrate the prevalence of 'dominance' (constructionist) and 'partnership' narratives.

Reconciling Strategic Change, Entrepreneurship and Networking

Firstly, 'dominance' or constructionist perspectives on networks are reviewed. As discussed in chapter two, networks from this perspective tend to be seen as "strategic assets" that firms acquire and exploit to improve the competitive stance of the firm and to improve access to important resources (Jarillo, 1988; Butler & Hansen, 1991). From this perspective networks are seen to exist out there in and around the firm which managers can 'acquire' and exploit to be more successful in pursuit of their personal and organisational goals.

As outlined at the end of chapter one in a discussion of the social-embeddedness of inter-organisational relations, a wide range of literature has evolved on the role and nature of networks at various stages of entrepreneurial development (Mitchell, 1969; Boissevain, 1974; Granovetter, 1985; Birley, 1985; Johannisson, 1987a, 1987b; Butler & Hansen, 1991). Whilst Curran & Burrows (1993) found that social networks played very little role in helping their sample of small business managers to cope with critical incidents, other writers have commented more favourably on the role of the network to the entrepreneur from business start up to on-going phases. Johannisson (1987a) refers to the importance of the (personal) network for its usefulness at certain

stages of firm development. For example, in the beginning, he suggests that to the new company founder, the network acts as a 'safety net'. When the company becomes established the network takes on the function of a 'resource bank'. When the entrepreneur has built a social position, it takes on a more legitimising role. Also, Jarillo (1985) illustrates how firms grow through the use of external resources but suggests the need for further understanding of how successful entrepreneurs leverage themselves through the use of these external resources. In the final phase, Butler & Hansen (1991) suggest that the entrepreneur is more interested in growth and profit so strategic aspects take on a more important role. Finally, Lorenzoni & Ornati (1988) illustrate how constellations of small firms in the Italian textile industry use their networks to progress from 'reaction' phase to 'rationalised constellation', then to a more 'planned' phase whereby determined entrepreneurs are bent on obtaining the best and most efficient organisational arrangements to compete in the market.

In terms of the entrepreneurial process, the network then is seen as a tool and an instrument through which entrepreneurs/managers can get access to and acquire important resources that they do not hold (Johannisson, 1987a). In addition, the network also becomes a vehicle for organisational learning in the sense that if it is accepted that entrepreneurs are "experiential learners" (Johannisson, 1989:12) who take action based on their intimate knowledge, understanding and intuitive feeling of their craft (Mintzberg, 1987), then the network provides learning opportunities and learning partners with whom firms can develop. Shaped by past successful and unsuccessful experiences of doing, managers try things out and learn through their network of personal contacts. From a constructionist view point, the network is seen as a valuable resource bank through which small firms can link with other partners in order to share individual competencies, innovations and expertise.

In undertaking a review of the network literature, it can be seen that many studies are particularly concerned with identifying the resource opportunities of the network and its functional utility in helping an entrepreneur meet daily demands and tasks. These studies reflect more 'dominance' or constructionist views of networks where the network is seen as important asset which exists outside of the manager/entrepreneur

and needs to be managed and given investments of time and commitment. This approach to networks suggests seeing the external network as a strategic asset, as something that managers acquire, nurture and develop. The distinctiveness of the entrepreneurial small firm from this perspective, therefore, is its ability to construct and mobilise diverse networks in change/transition processes. The emphasis is upon the doing and constructing of network contacts, moving around, trading, exchanging with a view to building up resources or getting access to valuable information and then using these network contacts/information/resources to achieve goals, shape people, policies and structures within the organisation. The networking activity can be strategic in both planned and emergent senses. From the planned perspective, networking is assumed to be undertaken according to a master plan with purposeful steps which lead to the creation of network contacts that are or will be useful to the manager/entrepreneur. Network contacts form a 'strategic resource bank' which can be 'warmed up' in the future should they be required. Other less purposeful views of networking, see networks as not being designed in advance, but instead see linkages as emerging through regular interactions and becoming more or less useful over time.

The second perspective of networks introduced at the end of chapter two - constructivist - gives greater emphasis to individual and subjective acts of networking where the manager-networker is the focus of analysis. However, whilst there is more discussion of the attachments and connectedness which occurs in networking activities, most of the narrative for discussing subjective acts of networking is still embedded within the 'dominance' view in that the major purpose of networking is seen to be the need to seek attachments in order to acquire power, resources and competitive advantages. Networking patterns are seen as internally constructed and are enduring, stable, fluid, dissolving - all at the same time depending upon need, social ties and mutual knowledge. Managers are constantly networking - building and extending webs of influence, repairing damaged threads and building new webs, particularly with career changes (Ibarra, 1993). So managing and balancing network contacts is an important managerial task and could potentially mean the difference between getting an important job done (or not). The following approaches in the network literature can be discussed within a constructivist framework. However, they

are distinctive in that they reflect and prescribe 'dominance' views on the purpose of networking - albeit to the individual networker.

Granovetter's (1973) emphasises the 'strength of weak and sparse ties' for their importance in connecting people and socially distinct ideas through ports of access (ie people). The value in weak ties is that they constitute a bridge to a wider external system currently unconnected to. In organisational transition, the strength of weak ties can work both in support of and against change process. The absence of strong, multiplex ties can facilitate transition because of the lack of cliques and alliances which can potentially obstruct the process. Access to information, new ideas and ways of working can also occur through weak ties when people are not tied closely into a relationship in that there is nothing to be lost from sharing and testing out ideas. On the other hand, weak ties within the organisation may be obstructive of the transition process, in that it is potentially more difficult to mobilise loose and disparate ties together in getting things done. Both strong and weak ties can be assessed according to strength, expressive content, frequency of contact and level of closeness. However, it is the strong ties between organisational members which have the greater propensity to impact upon the transitional and entrepreneurial process in small, family firms.

At the same time, Granovetter (1973) suggests that strong ties can result in weaknesses. Close, stable, binding and multiplex ties between firms are characterised by the amount of time invested in a relationship, the emotional intensity and degree of mutual confiding and reciprocity. Also, the more ties (ie social, commercial) there are between individuals, then the stronger the link. Two useful metaphors have been used to describe the complexity of ties that develop within an interaction. The strands of a rope (Easton & Araujo (1991) and blades of a chinese fan (Boissevain, 1974) represent the enmeshing of ties involved in an exchange. Tying elements which strengthen bonds between firms over time, are cultivated also by the need for "internal adaptations", whereby one company (or person) is changing a way of working in order to accommodate the needs of another. However, the emphasis is upon individual acts of networking seen primarily from the perspective of the person doing the networking.

The other networker is seen as passive other and the relationship is analysed in a one-way direction. Perceptions, interpretations and talk about strategic change is seen as 'monologuic' focusing on the single networker going about their business building and constructing networks.

Thus, the dynamics of strong-weak ties and degrees of embeddedness within organisational networking patterns provides a way of conceptualising networking relationships - how they emerge and are sustained. It is argued here that such a framework is potentially very useful for exploring the ways in which people in organisations respond to transition and change issues. However, from this discussion of the potential role of 'networks' in the entrepreneurial and strategic change process, two critical points can be made. The first is the dominance of a constructionist view of networks as discussed at the end of chapter one. This stems from the tendency of entrepreneurship researchers to see networks as 'strategic assets' that are externally acquired by firms. As discussed in chapter two, this view is influenced by a dominant ontological and epistemological perspective of 'networks' which sees the network as existing outside of people, interactions and processes which give rise to networking patterns. The second critical point is the over-emphasis upon individual networking practices and the 'strategic choices' made by proactive networkers as they purposefully construct and dissolve network linkages. Reflecting a constructivist view of networking, the networking activity is seen purely from the point of view of individual networkers and how linkages are spun out and shaped by managers in order to achieve their tasks.

Having reviewed the different approaches to strategic change, entrepreneurship and the role of networks as they can be seen to facilitate and obstruct strategic change, the next task of this chapter is to develop more specifically a social constructionist perspective of strategic change and entrepreneurial processes. Having reviewed the different approaches to strategic change, it is found that the 'strategic choice' and 'systemic conflict' framework is also useful for examining the different approaches adopted by entrepreneurship studies. In addition, in reviewing planned and emergent views of strategic change, two distinct narratives can be identified. These are

identified as 'dominance' and 'partnership' narratives which are underpinned by epistemological assumptions concerning 'the need to organise, control and plan' on the one hand, and a greater emphasis on 'self-organisation, consensus-seeking and mutuality' on the other. This debate is then extended to studies of entrepreneurship where it is found that 'dominance' and 'strategic choice' approaches are widely emphasised. The next section discusses the relationship between strategic change, entrepreneurship organisational networking from a social constructionist perspective. A social constructionist methodology is a useful means for integrating aspects of strategic change, entrepreneurship and networking.

Constructing an analytical framework around the 'systemic-conflict' and 'strategic-choice' perspectives and adopting the 'dominance'-'partnership' narrative as derived from 'constructionist-constructivist' views of networking, is found to be useful for integrating the literature on strategy, change, entrepreneurship and networking. However, some weaknesses and criticisms can also be identified. These criticisms are derived which suggest the need to bridge the 'systems' and 'strategic choice' perspectives (or constructionist-constructivist frameworks). As discussed above and in earlier chapters the theoretical frameworks presented by the 'systems' view and the 'individual' view of strategic change is limited in that the frameworks, from an epistemological perspective, are mutually exclusive. What is required is a shift away from either/or, individual/systems, structure-agency analyses to alternative approaches strategic change which attempt to provide a bridge between the two approaches. Whilst they go a long way in offering understandings of strategic change processes, there is scope for more interpretive and cultural perspectives of strategic change and entrepreneurialism.

The intention at this point of the chapter is to emphasise a social constructionist perspective of strategic change processes in small firms. This is done by integrating social constructionist perspectives of strategic change, entrepreneurship and networking. In so doing the social constructionist view of organisational networking outlined at the end of chapter two is fully integrated within the strategic change and entrepreneurial framework being developed within this chapter. This is done with a

view to emphasising the important role of relational networking patterns as a theoretical tool for understanding change processes. Wilson (1992) argues for a focus on inter-organisational relationships to understand strategic change issues. However, this thesis is arguing that 'staying' at the inter-organisational level is by itself insufficient for understanding strategic change and that what is needed is a focus also on the relationships between both the inter-and intra-organisational levels. But a social constructionist perspective goes even further - it cuts across the different levels of analysis in order to provide for in depth understanding of the processes of strategic.

A social constructionist perspective of strategic change is now developed in order to add the final layers to the conceptual framework of this thesis. This is further enhanced by the integration of a social constructionist view of organisational networking. It is hoped that this conceptualisation has the potential to advance epistemological and theoretical discourse of strategic change issues.

Social Constructionist view of Entrepreneurship and Strategic change

As established above, entrepreneurialism in the context of existing firms is about developing strategic innovative practices and is as much about orientation to change and development (Gibb & Scott, 1985). Entrepreneurialism is a process common to all firms concerned with change, development or taking the company forward in some way. It is argued here that the emphasis upon 'strategic innovative practices' is a useful one for two reasons: firstly, it enables an understanding of the processes and levels of entrepreneurial activities which occur within the broader economic and social context of the firm; and secondly the levels of entrepreneurialism can be of varying intensity and complexity according to the pressures induced by both internal and external driving forces. From now on the terms entrepreneurship and strategic change are used interchangeable to refer to strategic innovative practices that are undertaken or emerge to bring about change in some way. In particular, the thesis is arguing that patterns of networking relationships have the potential to influence and shape strategic change processes. But, as has been shown so far, the traditional ways of viewing networking patterns only go so far in theorising strategic change issues. There is still an important aspect missing in this conceptualisation of strategic change

and entrepreneurship and this is where social constructionism makes a valuable contribution. What is missing is an emphasis upon the ways in which people in and around the firm interpret, think about, reflect upon, talk about things happening inside the organisation. In other words, seeing things from the common sense perspective of the individual (Silverman, 1970) and emphasising the ways in which organisational members socially construct shared meanings and interpretations of daily events is important for understanding the emergence and shaping of entrepreneurial and strategic change processes.

In the area of organisational change there is a dearth of interpretive approaches, particularly in terms of empirical analyses (Wilson, 1992:80). Interpretive approaches are becoming more common in organisation studies generally and early studies were undertaken by: Pettigrew (1985) and Hickson et al (1986) where they were using narratives of managers to understand strategic change and decision-making processes; also Isabella (1990) searched the narratives of managers and identified four themes and patterns of change (anticipation, confirmation, culmination and aftermath); and Watson (1994b) where he searches for an understanding of management amongst managers. In terms of entrepreneurship, interpretive approaches are very few and far between and there is a need for wider perspectives and methodologies to be adopted. As Bygrave (1989) suggests:

> [entrepreneurship] is like a jigsaw puzzle with a framework but with most of the pieces missing. We must find the pieces before we see how they are connected together. At this stage we should be carefully finding those pieces with meticulous research. With enough pieces, we will start to see the patterns emerge. From those patterns, we can start to build partial theories" (p.23).

Social constructionist approaches are now beginning to emerge (Bouwen & Steyaert, 1990; Steyeart, 1992; Bouchikhi, (1993); Johannisson, 1995;) particularly in relation to analysing entrepreneurial processes as they evolve in small, new high-tec firms. A social constructionist perspective of organisational networking which integrates

entrepreneurial and strategic change perspectives has the potential to make an important contribution to small business studies. The foundation for a social constructionist view of entrepreneurship is provided by anthropological perspectives which attempt to understand the social structure of entrepreneurship (Blenker, 1992). Stewart (1989) in raising the question "what is an entrepreneurial opportunity", refers the reader to Barth (1967), and claims that in anthropology an entrepreneurial opportunity is "a chance to bridge, and to [create] conversions between spheres of exchange" (Stewart, 1989:145). The anthropological role in the study of entrepreneurship is to understand leadership and the social structure of communities. Barth emphasises the brokering and bridging activities undertaken by African entrepreneurs to convert resources and gain powerful status within local tribes. The success in bridging and brokerage roles is the ability to form and coordinate a number of inter-personal relationships and interactions (Barth, 1967). Inter-personal relationships as constructed through social networking patterns then become an important feature of the entrepreneurial/strategic change process.

An understanding of the ways in which inter-personal relationships are constructed in organisational networks has been the topic of many studies. It is suggested by Ibarra (1992, 1993) that in instances where people share a similar work history and demographic characteristics with their network contacts, that this eases communication. Different networking development patterns which emerge, are seen to be shaped according to certain basic premises. These are the degrees of similarity and complementarity of individuals' attributes and they have an important impact upon the development of shared or collective meanings. So that similarity of goals, tasks and personal characteristics within the organisational network is often seen to produce common interests and world views which either ease or complicate communication, predictability of behaviour and the fostering of relationships of trust and reciprocity. Also, the role of friendship which often forms on the basis of commonality, and the extent to which it smooths/blocks the way for decision-making or the acceptance of proposals is seen to play an important part in day to day organisational life. Thus, the ways in which managers "materialise their own culture" (Pettigrew, 1979) and construct a "shifting environment of social relations" or new

network relation with "particular structural characteristics that reflect their own characteristics (Boissevain, 1974) is potentially very important for the study of strategic change processes.

In this way entrepreneurship is seen not as an individual activity undertaken by one or two key creative people, instead it is a collective and social activity, whereby the sum of all the individual efforts is greater than the whole. As such whilst certain activities are not seen individually as entrepreneurial, when analysed collectively, they have the potential to become so. In the literature, this is termed as 'team entrepreneurship', or as Stewart (1989) proposes, 'running hot' - a term used to reflect the creation of innovative activities in his surveyed firms. The emphasis for understanding entrepreneurial and strategic change processes is not upon individuals or structures but is upon the **relational** - that is those processes which are interpreted, worked through and aligned through interactions with others in and around the firm.

But still an important question to be explored in a relational (or social constructionist) view is the extent to which strategic change process are shaped by underlying patterns of thinking, reflection and interaction (or networking). If Weick's (1983) claim that managers think all of the time and thinking is inseparably woven into action is accepted, then managerial acts are done with varying 'thinkingness' which qualifies, intensifies and provokes activity. Then to what extent is strategic change characterised by the specific patterns of thinking, interaction, action and reflection? Thus, if it were possible to align processes of change to patterns of thinking - reflection as they are worked out relationally, then this would provide new insights into how, why and what changes occur in organisations. In particular, if an interpretive method was used, it would also be possible to investigate these processes and patterns from the point of view of those involved in shaping and experiencing change processes. The social constructionist view of organisational networking being proposed within this thesis, it is argued, is particularly useful for studying the inter-subjectively shared meanings as they are aligned, modified and legitimised through internal/external relational (networking) patterns. It is also particularly useful for its ability for studying the bridging, brokering, conversion and exchange roles that shape strategic change

process.

Having developed the conceptual framework of the thesis, the final task of this chapter is to examine the usefulness of this framework in the context of family businesses. A review of the family business literature is now undertaken with a view to emphasising how a social constructionist perspective can advance knowledge of strategic change processes in family firms. To begin this section, definitions of family businesses are reviewed. Secondly, a discussion of approaches to family businesses studies is set within a historical context by examining the relationship between the family and work place

Towards an Understanding of Family: The Role of Family in the Work Place

In relation to family firms the argument that there is a strong relationship between family issues and the organisation of the work place, is not a new one. Many articles, (mostly American), have been devoted to examining this issue and the Family Business Review established by The Family Firm Institute in U.S. dominates the field of study. In a review of the UK literature on family business, there are only a few contributions[1]. Whilst there are some texts beginning to emerge, these tend to be anecdotal in style, highly normative and lacking in conceptual/methodological underpinning. Given that family businesses (large and small) comprise 75% of all businesses in the UK (Harvey-Jones, 1994) and are said to outperform other non-family businesses[2], the lack of academic attention is surprising. From an academic perspective therefore, there is wide scope and potential for the developing conceptual

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[1]   A review of the UK literature on the family business showed 36 references, from which 3 articles had been published in Entrepreneurship, Theory & Practice (Special Edition), 2 in the Family Business Review and 1 in the Inter. Small Business Journal.   The rest had been published in more disparate journals such as Life Association News, Journal of Accountancy, Food Review, Black Enterprise.

[2] Joint research project by BBC Matters and London Business School,)

analyses which attempt to study the in-depth processes that characterise the family business. The first task, however, is to discuss some definitions of the family business and secondly to set the historical context within which studies of family businesses have emerged.

As in studies of the small business, definitions of the family business are complex. Many studies examine the characteristics and processes that strongly differentiate family and non-family firms (Daily & Dollinger, 1993), but without clear definitions it makes this task very difficult. Holland & Boulton (1984) conclude that "the monolithic concept of 'family business' does not adequately describe the complexity of the institution as it exists currently" (p.16). They argue that the family-business relationship changes according to the structure, size of the business. They attempt to delineate between the husband-wife and large family business and also make a distinction based on the participation of the family in ownership and day to day management (ie pre-family, family, adaptive family, post-family). This, and Barry's (1989) categorisations, have provided the foundation for the most comprehensive attempt at defining family firms.

Litz's (1995) intention to achieve some definitional clarity is the most up to date and comprehensive attempt to categorise the different types of family firms. Building on Barry's (1989) categorisations, he identifies nine categories of family firms derived from two structural considerations: ownership and managerial control. Within his typology three categories are identified as family firms. The first type is a more 'pure' definition: firms with both family ownership and management. Other categories include those firms with individual ownership but with family managers involved in managing (for example a first generation company preparing for succession). Thirdly, other categories include the family business that has gone public but family members are still in senior management positions. What is particularly useful about this typology is that there are a range of different types of family firms and that their ownership/management structure is not static and can evolve from one 'type' to another. Litz suggests therefore to focus on the 'intentionality' within the business (ie to become, remain, erode or displace) the family. This is a particularly useful way of

defining the family business especially in relation to strategic change issues where firms are attempting to move from one form of management/structure to another. The next task of this section is to discuss the relationship between the family and the organisation of work because it is set against this context that studies of family businesses have evolved.

In an insightful article, Kanter (1989) undertakes a critical review of work and family where she examines the link between family and economic life. This article provides an important historical context against which to review the approaches to family business studies. Although Kanter adopts a broader perspective of family and working life than focusing on the 'family business', she argues that the intersection of the institutions of 'economy' and 'family' as "connected organisers of experience and systems of social relations, are virtually ignored" (p.77).

Kanter argues that in pre-industrial societies 'family' and 'working' life were highly integrated and the family unit was seen as important for imposing some control over daily tasks:

> the family was an important work unit in city factories in England.........spinners in textile mills chose their wives, children and near relatives as assistants.......(and) children entering the factory at eight or nine worked for their fathers, perpetuating the old system of authority and the traditional values of parents training children for occupations" (p.79)................[and that] "it was the family system that made possible the transition from pre-industrial to industrial ways of life..... in that capitalist factory owners had created a well trained labour force with appropriate working habits and ethics" (Kanter p.79/80 referring to the work of Hareven, 1975 and Nelson (1975).

It was in the early part of the industrial revolution that the capitalist owners found it in their interest to break the family's control over work and workers. The need for loyalty from workers and their family networks became less important to employers.

At the same time, as industrial capitalism grew and firms became larger, with work becoming less craft-like and more mechanised, with better trained workforces and the growth pattern of cities, Kanter argues that the worlds of work and family came to be separated. This, Kanter argues, had important implications for the movement towards systematic or scientific management in that family influence and control were seen as best isolated from the work place. Thus it was that this way of thinking, legitimised as being in the best interests of the family, began to influence organisational practices. This became more formalised in organisational anti-nepotism laws for example, and during the post-second world war period the separation of family from work to ensure the smooth functioning of both the family and economic institution, became accepted as the conventional wisdom for the organisation of work.

The importance of outlining the historical context against which to review the development of family business studies is that this account goes some way in explaining why in the early family business literature, the family and its role in business was seen in a negative light. Family ties and emotional issues were seen to compete with the demands of the organisation and that commitment to family clashed with the ability to be loyal, efficient and totally committed to the work organisation. As a result therefore, early studies of family businesses (Donnelley, 1964) tend to be highly normative attempting to prescribe how the emotional issues involved in running a family business could be smoothed away by preventive or corrective strategies. Attempting to separate the 'family' from the 'business' was espoused as the guiding principle for developing a successful business. Thus, the dominant approach adopted for studying the family business was to view the 'family' and the 'business' as two 'systems' competing for power and control within the organisation. These 'rational' and 'systems' views of business which are relevant to organisation studies more widely as discussed in chapter two, are discussed now in the context of family business studies.

The rational approach according to Hollander & Elman (1988) sees two organisations co-existing within the family business - the family, non-rational component and the business rational component - and when the two parts clash the 'business' side (ie

structure, functions, purpose) looses out to the power, sentiment and emotional issues of the family. They suggest that early writers on family business (Calder, 1961; Donnelley, 1964; Boswell, 1972) "lamented the fact that family firms were not operated in a more 'business-like' way........ and therefore the solution was to excise the family" (p.146). Issues such as kinship ties, nepotism, hereditary management and emotionalism were seen to have a detrimental effect on the company in that the needs, goals and demands of the 'family' conflicted with the needs, goals and demands of the 'business'. The desire by early writers to increase rationality within the family business gave rise to the 'business' and the 'family' being separated as two systems competing with each other inside the firm. As a result, the need to separate out and overcome the emotional issues of the family were prescribed in order to sustain a tidy and efficient business.

This is particularly apparent in the many discussions about the need to: 'professionalise' the business; 'manage succession' (Dyer, 1986); manipulate life cycle changes (Davis & Stern, 1988;) and encourage entrepreneurialism. The assumption that the family business is not always efficient and entrepreneurial has lead to a dualist approach: with the family business at one end of a continuum and entrepreneurialism at the other. This is epitomised in the most cited contribution to family business studies (Gartner, 1990), in which he attempts to set up the 'family business' and 'entrepreneurial business' as domains at each end of a continuum. This has led to the 'family business' and 'entrepreneurial business' being seen as separate but overlapping domains reflecting the assumption that often in family businesses the family interests may conflict with the interests of the business (Hoy & Verser, 1994). In addition, Gibb, Dyer & Handler (1994) examine how family and entrepreneurial dynamics intersect in the life of a small business by analysing the role of the family at each stage of the business cycle. Also Daily & Dollinger (1993) in their findings suggest that small family-managed firms tend to differ from non-family managed firms, in that family-managed firms tend to be smaller, younger less formalised and growth oriented and tending towards the 'defender' strategic typology - ie not entrepreneurial. They suggest the need to professionalise those family firms seeking growth opportunities whilst still retaining the control of the managing family. Dyer (1989)

examines the issues, dilemmas and conflicts of bringing in a professional manger into a family business and starts from the assumption that some family businesses need professional management in cases where: there is a lack of management skill within the business; when business growth is to be achieved; during succession; in order to change norms and values of business and to make painful changes that paternalistic orientation prevents them from doing.

What is needed therefore is more sophisticated conceptualisations which aim to explore the complexity of the family firm in their different guises. A more helpful approach is to explore family firms as they are embedded within and move between different modes of organisation - that is the intentionality as they reinforce, sustain, erode or enlarge the role of family members (or non-family managers) in day to day business activities. The rationalist assumptions which force the duality of 'entrepreneurial' and 'family' business domains needs to be seriously re-evaluated, particularly in the light of the wide-ranging definitions of family firms. The term 'professional manager', which Daily & Dollinger (1993) suggest should only be used to refer to non-family mangers, also needs careful re-consideration. An interpretive approach to examine the concept of 'professional management' from the point of view of managers/owners in companies would provide valuable insights into the relevance and usefulness of this term.

Furthermore, in relation to strategic change issues within the family business, only limited studies have been undertaken. Beckhard & Dyer (1983) were concerned with strategies for change and key issues in managing family firms, including ownership, executive continuity, power, asset distribution. Also Davis (1983) suggests ways in which family firms can 'realise their potential' and 'overcome any peculiar performance barriers they face'. There is clearly considerable potential for examining strategic change processes and in the context of family firms.

Other approaches which influence family business studies are perspectives influenced by 'systems' views. A 'systemised' way of conceptualising the family firm is concerned with understanding the interrelationships of the different components

which comprise the business. Aspects of the market place, industry, technology, stakeholders, task system, founder and family issues interact to form a "highly complex, open system of interactive elements" (Hollander & Elman, 1988:157). For example, Beckhard & Dyer (1983) suggested a framework which linked together the business, the founder and the family. The joint system operates according to rules which are derived from the separate components of the system but at the same time, the conflicting needs and demands of the different components are continuously being adapted to the needs of the whole system (Davis, 1983). However, in the case of family businesses where the family is the locus of control and power, family issues are seen to have the effect of disabling the efficient working and balancing of the different components of the system. Boundaries are often drawn around the different components of the system as a way of locating problems which need resolving (the rational influence).

Kepner (1983), Hollander (1984) and Ward (1987) on the other hand, recognise the separate components of the business and family systems but argue that they are permeable. In this way, family influences are not seen as external to the business system (as in the traditional open systems view), but instead the family is integral to the efficient working of the business system. This perspective offers an important step forward for developing a theoretical framework for understanding the family business. Also, Hollander (1984) proposes a framework incorporating both systemic and developmental processes within the family firm. She emphasised the interdependency of business, family and environmental components in terms of the extent to which these are permeated by are influences from the family, business and individual life cycles.

However, the predominance of a systems view of family businesses still pervades theorising in this area and some further criticisms can be identified which inhibit the development of fresh theoretical perspectives. A comprehensive systematic review of the theoretical foundations for family-owned businesses was undertaken by Wortman (1994) in which he argues that there is no "unified paradigm for the field". He argues that many conceptual models have been proposed but that researchers have tended to

focus on narrow segments of the field. He goes on to argue that "too many 'armchair articles' have been written and could be characterised as one-time experiences, folklore and stories" (p.3). Much of the earlier work (Donnelley, 1964) tends to be highly descriptive and anecdotal in style but providing many good examples of the disadvantages and advantages faced by family firms.

Other approaches have attempted to move away from 'systems' approaches to the family business. Riordan & Riordan (1993) are critical of the systems view for its separation of the business/family systems and for the lack of attention given to the human element and the discretion possessed by key decision makers and how values, beliefs, and ideologies may influence decisions. Also the systems view ignores the potential "ability of the owner/manager to allocate resources in non-economic ways to fulfil personal family goals" (p.76). Instead they propose the alternative of 'field theory' which focuses on the psychological forces in the life space of the owner/manger. In addition, Daily & Dollinger (1993) offer the alternative of 'agency theory' as a way of attempting to distinguish between family and non-family management styles.

In addition, Kepner (1983) argues that whilst the systemic perspective provides some useful ways of conceptualising the family firm, she is also critical that the existing models still encourage dualism and polarity. She criticises the system perspective for perceiving business and family as "distinct, separate and well-bounded" (p.447) and suggests the need to look at a co-evolutionary perspective of family/firm as an interactive relationship between family and firm. She also makes the important point that the perspective of most family business research is to consider the 'business as family' and she argues for another perspective 'the family as business'. McCollom (1988) also follows a similar line in exploring how the family system can perform a key integrating role for the business which at the same time meets the needs of the family. She argues that intervention in family firms without understanding the interdependencies between family and business systems can be dangerous. She sees the relationship as a dynamic one in terms of dominance-subordinate positions (with the family goals as dominant). Emphasising 'the family as business' and focusing on

the dynamic relationship between the aspects of 'family as business' provides a major step forward in family business studies.

Other studies reflecting a more interpretivist line emphasising the 'family as business' are beginning to emerge. For example, Marion McCollom (1992) offers an insightful article focusing on 'organisational' stories in the family-owned business. In this she attempts to reveal how family and non-family employees experience membership in a family business system. She is concerned with how people are made aware of the relationship between the family and business systems in their daily work lives. Through the use of organisational stories, she attempts to shed light on organisational structures and processes. She concludes that in her case study the dynamics of family business systems are constructed in daily interactions and conversations. This discourse was dominated by family issues and through the 'family discourse' meanings were 'managed' in the system (McCollom, 1992:19). In addition, Ram (1994b) in referring to ethnic minority firms suggests that central to the negotiation of racial constraints which characterised the firms within his study, was the role of family. He comments that whilst internally family relationships were a flexible source of labour and means of imposing managerial discipline, externally, family roles were important for overcoming racial obstacles in the market (1994b:51). Ram (1991, 1994a) develops the concept of 'negotiated paternalism' to refer to the way in which meanings are 'managed' through social relations within ethnic firms.

The conceptualisations of 'family' and its relationship with 'business' are moving away from rigid rational and systemised views and are becoming more sophisticated. Levin (1993) argues against the use of a closed and non-problematised concept of 'family'. She conceptualises the family in terms of 'mapped realities' and argues for the need to accommodate the more complex issues drawn from the everyday experience and interpretations of family as perceived by family members. In addition, Ram & Holliday (1993) suggest that the 'family' contains complexities and contradictions which mean the dynamics at work will be contingent and negotiated. However, this does not mean that the concept of family is only relevant to family firms in the sense of concentrated family ownership and management. Again, in

Holliday & Ram (1993), the authors make the important point that 'family' culture is not simply a product of employing family members and the feeling of 'family' can be cultivated without blood ties (p.165). Holliday (1993) explores the 'familial analogy' in small firms, attempting to understand why people in small firms refer to themselves as 'one big happy family' and what it means to them. Also, in attempting to define 'what is family', Gubrium & Holstein (1990) adopt a social constructionist view of family and argue that the concept of family is constructed through public discourse and is a way of talking about, assigning meaning and making sense of relations with others. What is important therefore is not 'what is family' but in what ways 'family' is a linguistic or conceptual resource for specifying relations with others. This conceptualisation of the family business is consistent with the social constructionist methodology being developed within this thesis and will be examined in relation to the field work.

Summary

The first three chapters have been concerned with a developing a conceptual and methodological framework which provides in depth insights into the strategic change and entrepreneurial capabilities of small, family firms. Chapter 3 has been advancing the conceptual framework by reviewing and integrating the strategic change, entrepreneurship and networking literature. An analytical framework is developed which is derived from broader 'systemic-conflict' and 'strategic-choice' perspectives. In addition planned and emergent views of strategic change are discussed which give rise to two types of narratives. These are 'dominance' and 'partnership' narratives reflecting the different epistemological assumptions which underpin approaches and strategies to 'change'. It is found that these narratives are consistent with constructivist and constructionist approaches to networks which are discussed at the end of chapter two. These narratives are then discussed in the light of the entrepreneurship literature where it is found that 'strategic choice' and 'dominance' narratives tend to permeate theorising in this area. The perspectives on strategic change, entrepreneurship and networking are then integrated to form the analytical framework. The integrating device is a social constructionist methodology, the use of

which it is argued, has the potential to enhance theorising of strategic change in organisations. As the case study for this thesis is a family business, the final section reviews the family business literature. This review is undertaken by exploring the relationship between work and family and identifies that the relationship is a complex one not fully understood in terms of 'systems' analyses. Interpretive perspectives of 'family' are identified where 'family discourse' is conceptualised as a 'resource' for exploring how people make sense of their work, assign meaning and how they specify relations with others around them. This way of conceptualising 'family' is consistent with the social constructionist view of strategic change being developed within the thesis and is integrated within the analytical framework.

What emerges then is a 'pragmatic pluralist' framework (Watson, 1995b), which draws together elements from different disciplines/perspectives to produce a personal paradigm, which stands with its own ontological, epistemological and methodological integrity. This has the advantage of crossing interpretivist/functionalist Gioia & Pitre (1990), structure-agency and subjectivist-objectivist debates and allows theorising to emerge from an analysis of managers' narratives and accounts.

The task of the next chapter is to undertake discussion of the approach to the field work, the research methods adopted and experience of carrying out research within a small, family-owned company. In addition, the next chapter is concerned with the formulation of theory from a social constructionist perspective. In particular, analysis of how theorising of strategic change processes in the family firm can be advanced by an in-depth understanding of sense and meaning-making processes as they are constructed by individuals in dialogue and interaction with others.

Chapter Four

Constructing an Ethnography of the Small Business

The aims of this chapter are two-fold. The first part of the chapter is concerned with the formulation of 'theory' from a social constructionist perspective. The task is to examine how theorising of strategic change processes in the family firm can be enhanced by an in-depth understanding of sense and meaning-making processes as they are constructed by individuals in dialogue and interaction with one other. In so doing, this chapter develops further the methodology of this thesis and builds on the epistemological and ontological perspective constructed in chapter two. The second task of this chapter is to recount the experience of working in and undertaking research within the small business under study.

The earlier chapters have been concerned with developing an analytical framework which draws together perspectives on strategic change, entrepreneurship, networking and the role of family in organisations. The previous chapter ended with a conceptualisation of family business as a dynamic network of interactively shared meanings which are aligned through relational networking patterns. What is distinctive about family businesses is that 'family' is a discursive resource for talking about, assigning meaning and making sense of relations with others. Such collective meanings and relational patterns as shaped by interpretations of 'family' are realised in courses of action and become recognised, regularised and institutionalised within the organisation.

A social constructionist perspective is adopted and it is argued that this has the potential to enhance theorising of strategic change. It is useful in that it emphasises how collective processes of meaning and sense-making, as they are emerge inter-subjectively through conversations, dialogue and interactions between organisational members, shape strategic change in the family firm. It is argued that a more

'grounded' approach (Glaser & Strauss, 1967) to strategic change is achieved in the sense that change is seen from the point of view of those experiencing and shaping change processes. In focusing on 'networking' and 'family' as discursive resources, it is possible to explore how sense-making and relational patterns shape strategic changes within the organisation. In this way, strategic change is seen as multi-faceted. The task for the researcher then is how to formulate theories of strategic change which incorporates the multi-layering of the different interpretations/perspectives and discourses of 'family'. This is done through ethnographic inquiry. It is argued that through ethnography and observation the sense/meaning-making processes and relational patterns can be meaningfully investigated and constructed to theorise strategic change in family firms.

An Ethnographic Approach to Small Business Research

From the early days of being a researcher the attraction of getting close to the subject and "seeking(ing) to describe and analyse the culture and behaviour of humans and their groups from the point of view of those being studied" (Bryman, 1988:46) was appealing. An interest in investigating how people working in small firms made sense of and constructed their daily business lives through day to day interactions, led me to ethnographic inquiry. In addition, inquiry through an ethnographic approach accords with a social constructionist perspective and the epistemological position adopted within this thesis.

In small business academic debates concerned with the ways in which knowledge about small businesses and the entrepreneurial process can be generated, social constructionism is gradually gaining credibility (Steyeart & Bouwen, 1992; Bouchikhi, 1993; Johannisson, 1995;). Ethnographic inquiry however, although acknowledged in organisation studies, is still very much under-used as an approach in small business research and relatively few studies have been undertaken with an ethnographic approach (Stockport & Kakadbase, 1993; Ram, 1996; Holliday, 1995).

As discussed more fully in chapter three, this is due to the attempt to establish entrepreneurship and small business as a 'discipline' which needs nurturing to growth and maturity (Bygrave, 1989) and the perceived need to emphasise more 'traditional' scientific approaches. Whilst these debates are healthy for a growing area of study, there is still considerable scope to be gained from other methodological approaches. The particular contribution of ethnography to the study of small businesses provides the opportunity to explore some of the still unknown processes which give rise to the distinctive features of small firms and the processes through which aspects of entrepreneurialism, networking and strategic change for example, are realised.

In social sciences generally, a concern with the particular is incidental to an understanding of the general. But the distinctiveness of ethnography is that a concern with the general is incidental to an understanding of the particular. Ethnography, Spradley (1980) suggests, is concerned with the work of describing a culture "to understand another way of life from the native point of view" (p.3). However, ethnographic inquiry is concerned with more than 'understanding' and describing a culture. Criticism can be made of the view of ethnography as a data collection process whereby:

> "anthropologists observe, record and engage in the daily life of another culture... and then write accounts of this culture, emphasising descriptive detail" (Thomas, 1993:18)

This perspective is limited, in that it casts **meaning in the method of data collection,** rather than in theory construction. Field work texts, as they are constructed through the researcher's interpretations of accounts drawn from the field, are much more than representations of another way of life. Caution is needed therefore to ensure that ethnography is not relegated to the status of a research method or data collection process in that it is much more than that.

Ethnography, therefore, seeks something more than simply 'stating the cultural context' and instead attempts to connect the meanings of the meanings to broader structures of social power & control (Thomas, 1993). At the same time if such meanings and social/political relations are 'coalesced around a subset of goal oriented activities', it is then possible to refer to organisational ethnography (Rosen, 1991). The task for the network researcher in constructing an ethnography would be to investigate organisational processes and the ways in which they are shaped by underlying patterns of social relations. But in addressing ethnography from this point of view, there is still a danger that the field work text becomes merely a representation of the processes that are seen to exist in the small business and are 'uncovered' by the ethnographer. It is still unclear why the ethnographer is 'interpreting' things in a particular way. It is important therefore that ethnographic inquiry is consistent with and reflects the epistemological and ontological perspective of the ethnographer.

It is argued here that an ethnographicpproach supported by a social constructionist methodology is particularly distinctive. From a social constructionist perspective, an ethnographic approach is concerned with the study and construction of sense and meaning-making processes as they are inter-subjectively created. But also an ethnographic approach is concerned with the relationships between these processes, atterns of interaction and the realisation of collective meanings/patterns of interactions in terms of courses of action. For this thesis an ethnography is constructed from the study of collective sense-making processes as they are inter-subjectively created in the family firm which become recognised, regularised and institutionalised through networking patterns and shape strategic change processes.

A further way to enhance ethnographic inquiry is through making explicit the process through which the ethnography has been constructed. Watson (1994a) suggests that the discerning ethnographer will "ow the puppet strings which have orchestrated the research process"(p.78). Furthermore, Watson (1994a) argues that management researchers can aspire to be like craft workers:

"who have learned through practice alongside more experienced practitioners the skills of conceiving what it is that they are required to produce.... taking the production of the artefact through a range of stages, until it emerges in a form... which is identifiable as the work of that individual craft worker (pp.77-78)

It is the responsibility of management researchers, therefore, to show the process through which they have cultivated and nurtured their ethnographic story. Furthermore, Van Maanen (1987) indicates that:

"...fieldworkers' silence about, and sleepy indifference to the writing conventions of their craft has been shattered in recent years and there is now no going back to the complacent and blissful days......."(p.138).

He suggests that the task of all ethnographic writers is to produce a text which "balances, harmonises and mediates a tale of two culture" (p.138) and to produce a story that is "persuasive, melodic and empathetic and aimed at some general insights" (p.128). It is important therefore that the ethnographer takes ownership for the shape of the story. Van Maanen (1988) continues:

"Unlike many other tales of the field, where the presented reality appears to be merely the unintended consequence of interacting people sharing mutual problems, so that the reality belongs to no one in particular, the authors of **critical tales make it clear just who they think owns and operates the tools of reality production"** (p.128: my emphasis)

Taking this argument forward highlights the importance of reflexivity in the research process. Morgan (1983) argues that science is also about personal expression and the

right to claim different ways of generating knowledge. A fresh way of generating knowledge about the small business is provided through a reflexive approach (cf Steier, 1992). A reflexive, social constructionist perspective provides rich opportunities for small business researchers to 'know' small business managers in a new and insightful way. Reflexivity provides a forum for shared discourse and communication between the researcher and the subject of research and acknowledges that the researcher "brings to the world forms of intelligibility by which the world is made meaningful" (Gergen & Gergen, 1991:80). In adopting a reflexive approach to research on strategic change within the family business, I am attempting to make intelligible the sense/meaning-making processes which are worked through and aligned via relational networking patterns. At the same time, the process through which the research project is constructed and crafted is revealed (Watson, 1994a) reflecting some of the assumptions shaped by a social constructionist perspective that are brought to the research and field work.

The ontological and epistemological claims made earlier about the ways in which knowledge of networks can be created can also be applied to the small business. Emphasising the importance of 'experiential reality' (von Glaserfeld, 1991, based on Piaget) in the development of scientific knowledge, an understanding of the small business world arises out of experience with it. Although, ontologically the small business exists 'out there' operating in some industrial sector, interacting with other firms and employing people, researchers cannot fully <u>know</u> the small business in a <u>being</u> sense, but it is possible to <u>know</u> to a greater or lesser extent how it is managed and organised. It is possible to get to <u>know</u> the people who work in the organisation <u>through experience and interaction</u> with them as researchers. This reflects a shift in the nature of knowledge from a traditional one (ie the researcher is separate from what is being researched) to a more <u>relational</u> one tieing together the researcher and the small business (where knowledge of the small business arises out of experience with). In this way, there is no distinction then between the known and the knower (Steedman, 1991).

This is consistent with the "in here" reality principle (or internal realist) position outlined in chapter two and provides a way of looking at the 'groundedness' of strategic change in patterns of inter-subjectively created shared meanings. Exploring the working lives as they are taken for granted by the interacting members of the small business organisation enables the ethnographer to interpret the meanings, motive, intention, emotion and feeling states (Denzin, 1983:129-146) as they are spoken about by organisational members. Thus, through interpretive interactionism (Denzin, 1983), the small business researcher can interact with and interpret peoples' ways of organising their working lives. From this, the social constructionist researcher is able to create 'second order construct(ions)' (Schutz, 1967) of these interpretations.

An additional advantage of a social constructionist approach is that the concepts which emerge from the interactions and interpretations are grounded within the social/organisational context. This social and organisational context gives rise to emergent concepts, language and metaphors through which relational patterns and strategic changes are enacted. The researcher is therefore able to interpret meanings as they are shaped within the organisational and social context. The distinctiveness of ethnography is that it allows the researcher to drift and reformulate concepts in the research setting (Rosen, 1991). Glaser & Strauss, (1967) and Spradley (1980) refer to the importance of 'grounded theory' and listening to informants' accounts to generate research questions and concepts. This means listening to informants when they say "why don't you talk to.." or "why don't you look at.." as a way of pointing the researcher in a particular direction that they claim to be insightful. In this way both questions and answers can be discovered in the social situation being studied (Spradley, 1980:32) and it is possible to know to which questions the respondents are answering.

A grounded approach to research argues against the early pre-definition of variables

and conceptual categories in field research because of the danger of "deflecting attention away from the social processes through which the participants themselves assemble stable features of their social world" (Silverman, 1994:36). However, to be theoretically informed is important still, because it provides the research with a set of "animating questions" (Silverman, 1994). In this way "the researcher has some notion of where she or he is destined, but is willing and expecting to explore uncharted ground encountered in the process" (Rosen, 1991:7). As Silverman (1994) states, that to describe things as they are is a false exercise because "the facts do not speak for themselves" (p.36). Thus, theory has a role to play in interpreting the accounts as they are communicated to the interviewer. So what is needed then in a reflexively oriented inquiry is to formalise the understandings already contained to produce a more concerted confrontation with the theory (Gergen & Gergen (1991).

Steyeart (1992) has referred to this as 'grounded interpretivism' whereby concepts are socially constructed through interactions between the researcher and subject of research. Bryman's (1988) suggestion for treating theoretical concepts as 'sensitising' concepts which provide a general sense of reference and guidance in approaching empirical instances is a useful one. A concept like 'family' or 'network' then provides a 'set of signposts' for the researcher and whilst the concept may become increasingly refined, it is not "bolted on". Concepts are both inputs and outputs, they provide a general frame of reference at the outset and are refined by the researcher throughout the field work (Bryman, 1988:7). In this way, it is possible to refer to the formulation of theory as a constructive activity which reflects processes of theorising (Watson, 1994c). This is particularly useful in that it provides a more fluid approach to the generation of theory. Also, the aim is not to search for 'one truth' or complete theory to interpret small business activities, in that the process of theorising has the potential to realise multiple realities and insights which are derived from the interaction of the researcher with people in the organisational setting.

Gergen & Gergen (1991) take this one step further. They argue for a process of continuous reflexivity enabling new forms of reality (multiple realities) to emerge,

whilst retaining the previous increments as social/linguistic resources. They elaborate:

> "in the initial phase the investigator generates a series of tentative interpretations (descriptions, explanations, meanings) of a given range of 'phenomena'. In the second phase, the investigator opens the 'phenomena' to inspection by another (or others). The interpretations emerging within this dialogue are then used to expand upon or to question the initial tentative understanding - demonstrating its potentials and limitations. In succeeding phases, still other voices are added to the emerging body of interpretations. Some views may be combined or synthesised, others may open up new vistas of understanding and still others may act as a critical sub-text. With each new encounter the hope is to increase the laminations of understanding" (p.88).

Ethnography then is much more than a research method, it is an "active case study concerned with the construction of theory through an integration of the language of the describer and (the) audience" (Rosen, 1991:12). It also becomes much more than the recountings of actors in their social settings. The ethnographic account is actively created and constructed from aspects of life explored within the small business setting. In this way, it is the active construction of a text or tale which reflects the quality of fieldwork writing.

The outcome of the research for this thesis is an ethnographic account of the processes through which the strategic interactions and relational patterns between organisational members shapes strategic change processes within the company. In interacting with people in the field, listening to their accounts and stories, I am able to re-construct those accounts and stories within an ethnography. The ethnographic account, therefore, as constructed through interpretations and interactions in the field, has

much more potential then 'telling convincing stories' (Silverman, 1994).

An ethnographic case study allows for the presentation of field work accounts and provides opportunities for thick description (Geertz, 1973) of field work at the same time as exploring theoretical aspects. It allows for the possibility of testing theory and of generating new modes of theorising. By tying emergent concepts from the field work to existing theories within the academic literature, internal validity is enhanced (Eisenhardt, 1989). She also argues that the weakness of building theory from case studies is that it can lead to "narrow & idiosyncratic theory" so that the theory describes an idiosyncratic phenomena. However, if the research is following an 'interpretive grounded' approach as suggested above, this allows for the emergence of wider perspectives and modes of theorising. An 'interpretively grounded' inquiry can help to "develop a more practical ethnographic language" (Agar, 1986:13) which is also important for the development of ethnographic inquiry. For example, Spradley (1980) refers to the language of ethnography as an 'amalgamated language' which brings together and yet retains the distinctive terms used by 'natives' and the researcher (p.66). A further distinctive feature of ethnographic inquiry is the ability to amalgamate native/academic concepts and in so doing create new insights and modes of theorising. For this reason, much of the narrative that occurred during interviews is displayed within the ethnographic record.

Eisenhardt (1989) argues that it is difficult to generate theory with much complexity from less than four cases. However, where there is longitudinal study and much interview material based on single cases within the organisation, it is possible to argue that each person within the organisation is a 'mini case' in themselves. Yin (1989) refers to the importance of 'multiple cases' which, when compared with each other, can be analysed in terms of analytical categories. The contribution of case study research therefore is not to make statistical generalisations to other firms but instead to make generalisations in relation to the analytical categories explored. He suggests that "if two or more cases are shown to support the same theory, replication may be

claimed" (Yin, 1989:38). Good theorising is enhanced by reflexive inquiry and by amalgamating concepts and language which have been inter-subjectively constructed and shaped in the research setting. Also, good theorising is empirically well grounded, it generates new and works through existing theories and it embodies the concepts and language of the fieldwork setting.

However, the construction of an ethnographic account does not culminate in a composite picture of the small business setting. Instead, it presents a partial perspective (Rosen, 1991). This means that although interpretation is the goal of ethnography, it is not possible to claim "interpretive authority" because it is only a partial perspective that has been created through and with the researcher's conceptual framework. Hence, reflexive inquiry is valuable because through it the researcher acknowledges conceptual biases and makes choices of research questions, cases, sampling and instrumentation explicit, rather than claiming inductive "purity" (Miles & Huberman, 1994). The value of interpretive research does not rest on whether an alternative theory /explanation can account for the same data. But instead it rests on whether the theoretical framework and explanation given accounts for the fieldwork data in a plausible and authentic manner.

In the final section of this chapter, I intend to account for the choices I have made concerning the construction of the ethnography. However, before moving on to this, the recollections of the field work, my experiences of observation and reception by the 'host' company are recounted.

Field Work and Observation

Kleinmann and M.Copp (1993) highlight the importance of fieldworkers acknowledging their feelings and emotions in doing field work and question why a record of reflections and feelings are often ignored in the written ethnographic account. They argue that as observers researchers cannot detach themselves from the

research situation. Even though there is a sensitive balance between showing empathy with research subjects and retaining some professional distance, they argue that it adds greater richness to the research accounts if emotions of anger, frustration, joy, feelings of physical attraction are acknowledged and explored in the written account. This, the authors suggest, is an important part of field work. They criticise the traditional scientific approach to ethnographic research where researchers attempt to neutralise their self identities. In so doing, researchers are assumed to be more professional and this means transcending any gender and sex defined behaviour (p.10). But Kleinmann & Copp (1993) remind fieldworkers as they enter the field that identities and life experiences shape the political and ideological stances that are taken in research settings (p.10). Denying or suppressing these experiences detracts from the honesty and integrity of the ethnographic account. This is a persuasive argument and being a female academic entering an all male research setting, the issue of my role, identity and participation in the company affected the field work experience and is therefore re-counted here.

A feminist theory of social life attempts to direct social science analysis toward issues and interpretations based on gender (Kleinmann & Copp, 1993:47). Gurney (1991) asks the question whether it would be useful to bracket the gender stories and see them as myths bound up with the discourse of fieldwork in the historically grounded "fields" of academia, rather than as mirrors of interactions in the field. In addition, Gurney, (1991) discusses the possible influences of gender on the conduct of fieldwork. In most research literature, she argues that women are treated as "anyman". She outlines that during a period of short term research working in an all-male dominated environment, her experience was that she was treated as 'anyman'. She never really considered that her gender influenced the data collection/field work. This is an issue I would like to explore in reflecting on my field work experience. In the following sections therefore, I record my story of entering a small, all-male, manufacturing firm and the feelings and emotions which evolved whilst gaining access, rapport, building relationships, getting out and maintaining relations with

people in the firm.

Gaining Access to the Company

Entry to the case study company was via a colleague in my university who ran a small firm growth programme. In talking to him about my research one day, I described the problems of getting access for long periods of time into a small manufacturing company for the purpose of ethnographic study. He identified a family business which had recently undergone succession to the second generation and whose Group Chairman had attended the Growth programme a couple of years previously. This appeared to be an interesting case in that the company had more recently been severely ravaged by a combination of recession and the 'buying-out' of two other family members. The company had also taken the difficult decision to bring in a non-family "professional" manager to help turn the company around. This "professional" manager had been poached from the small firm's major customer and he was brought in as Managing Director in Spring of 1994. It appeared to be a particularly interesting time in the company and family life cycle to work with them and study the processes through which such a decision had been made, the lead up to the decision, how the Managing Director was facing up to the challenge and how he was being received by the organisational members. The original founder of the company was still in situ within the company (although apparently not involved in day to day management) and so collectively these features conspired to make an interesting case study. My colleague offered to write to the company stating that a 'senior lecturer' was interested in working on a project with the company in return for her spending some time researching the company. I followed up the letter with a phone call speaking to the Group Chairman who sounded very interested in my proposal and invited me out to the company.

My first visit to the company to meet the Chairman was short and quite formal. I was shown into a large office with modern furniture including an L-shaped desk that held

barely any paperwork (this aspect never changed whenever I went into that office thereafter). The office belonged to Lenny Farnsworth the owner of the company and son of the original entrepreneur. Lenny was in his early 40's and smartly dressed in a suit with white shirt and tie. My first impression of Lenny was that he was a fit person, who took care of himself and his dress, was neat and tidy and liked to have nice surroundings and car (I had seen the BMW parked in his car parking space). Another person joined us, this transpired to be Darren Craven, the new General Manager brought in to transform the company. My recollection of him from that meeting was that he was younger than I expected (mid 30's), he was confident and self-assured, possibly not as friendly as the Chairman and not the sort of person with whom one would easily make small talk. I told them that I was interested in working closely with a small manufacturing firm to see how the firm was organised and managed. The Chairman jokingly asked that "when I had found out, would I let him know".

I told them that I wanted to spend one day a week in the company for several months (it ended being 10 months) in order to talk to members of the company. In this way, it would be possible to gain a deeper understanding of small business life. I also suggested that it was often constructive for people to talk through and reflect upon their jobs with a person unrelated to the company. The Chairman's response was "oh well, they will have plenty to say". In return, I suggested that I could work on a particular project for them. It was agreed that I would work on putting the company onto BC-Net as a way of finding a potential international client for a licensing arrangement and I would also undertake a competitor analysis, something they were very interested in. It was agreed that I would start the following Tuesday and that they would send a memo round to all the people in the company to inform them that I was coming and what I was doing there.

So it was that I came to be driving to the company for my first full day of fieldwork. Prior notice from the Chairman to the employees of my impending 'secondment' in the

company had the advantage of giving formal sanction to my presence there thus legitimising my activities and providing people with the freedom to spend time talking to me. I parked in the visitors space being careful not to park in the wrong place as I had heard from my university colleague about the importance of respecting the allotted spaces reserved for key members of staff. Upon entering, I observed that the building had just been painted. There were two chairs in the reception, next to the fax machine and I sat there and made my first sightings. The reception was about 10 x 10 feet, clean but basically furnished, housing a female receptionist. There were also open-plan stairs going off to the second level, which I found out later housed the photocopying machine and the admin staff for the group's activities. Back in the reception, I noted large pictures stating the company's mission, a couple of plants and some people standing around chatting. The first piece of information I learned was that the company were preparing for a syndicate entry into what was then the new national lottery. The person organising this was the chairman.

I was ushered in to the General Manager's office which was located, with many other small offices, along a long corridor on the ground floor. At the end of this corridor was a door with a light indicating "do not disturb". I recalled that this was the Chairman's office. Later it would show "enter" when meetings were not in place, but the door was almost always closed. The Managing Director's office was small with a desk facing outwards into the room and two chairs and a small coffee table set against the wall facing the desk. There I sat for about two and a half hours, while he talked to me about the background of the company, the sector and some of the initial 'horrors' he had found in the company. I recall now that in all the time that I spent talking to (or rather listening to) this manager over the months, he never once offered me a coffee.

In the case of the small firm under study here, the company which was created in the 1950's, has managed to survive in the context of a declining steel manufacturing industry. In the region where the company is based, many large, multi-national firms

have closed down or been restructured due to a declining market for steel and fabricated products. This has had both a negative and positive impact upon small firms in the region in that those more 'strategically aware' (ie those with the right contacts and information about changes within the sector) have been able to manoeuvre themselves into advantageous positions by endeavouring to carry out the manufacturing tasks which the large firms no longer can or want to do. On the other hand, those dependent upon one large customer have found themselves in a vulnerable position and many have had to close down. Also the market has been saturated with small 'one-man-bands' who have set up in their garage to do small scale fabrications. In the small firm under study here, because of the privileged knowledge of certain organisational members they anticipated the collapse of the steel industry and threat of new entrants and bought new machinery to equip themselves with a 10,000 tonne facility to produce huge fabrications that the majority of the competitors could not do. The ability to find new customers with large orders that gave the company higher turnover and value added in terms of profit and then undertake the new business that this generated, was (I am told), due to the skill, knowledge, flexibility and loyalty of the workers and their capacity to 'pull together' to get things done. A further factor which has influenced the skill/knowledge base of steel/metal fabrications is the dominance of the steel industry within the region. Within this local context a skills and knowledge base has accumulated over the years which has also resulted in a pool of available labour, where everybody knows everybody.

Darren then showed me around the factory. I was led, at a rather fast pace, around this very noisy factory where I was naturally an object of curiosity. As I followed him through some grimy plastic door - which I got hold off just in time before it hit me in the face, I clambered over huge metal fabrications and listened to intricate detail about different engineering processes. I noticed with one eye the pornographic images of women splashed all over the walls and tried not to think of Robyn Penrose in Nice Work (Lodge, 1988) who had objected to the same images of women in the company she had been seconded to. I certainly could not see myself 'imposing' any such

feelings in this place. I had an overwhelming feeling of powerlessness, smallness and of feeling alien and female. On reflection, the underlying 'subtext' of this mini-tour was 'don't think you are going to be treated any differently than anyone else'. The hidden message was 'if you want to join the game then you will play it like we do, you too will have to muck in like everyone else'.

Back in his office, Darren's wife came to collect him to take him away for lunch. I was introduced as a researcher from the university who was "learning about what we do here". In response to this, she said rather defensively, "I don't know what my husband does all day, I am always asking him, but he will not talk about work". Underlying her words, I felt that she was looking at me to see if I was going to be a threat and considering whether I was going to get 'on a footing' with her husband on work issues that she was not able to. Then I was left to fend for myself. He had given me an organisation chart (figure 1) below and told me to introduce myself to a number of people and just have a chat with them. He also suggested that I locate myself in the work's office because I would 'learn a lot about what goes off here' by sitting in there.

On reflection, I find it difficult to account for the contradictions in the way the General Manager was with me. On the one hand, he would talk to me for hours at great length and in a lot of detail about himself, his life, his family, his background and hobbies. I still cannot account for his openness and capacity for such detailed and unprompted conversations. It would often occur that I would be called in to his office and I thought just for a quick chat or mention of something or another and 2-3 hours later I would leave. On the most part, I did not record these conversations because most of the time I was not prepared for when they would happen. So I used to soak everything up and then write it all into the computer when I got home. I am still reflecting upon the extent of the conversations, I recall one observation/feeling I wrote after one day in the field:

Figure 1

ORGANISATION CHART - FARNSWORTH ENGINEERING

Fernie Farnsworth
Founder - Father

Lenny Farnsworth
Group Chairman

Darren Glover
General Manager

John Gardner
Administrator

Janice Woodhouse
Receptionist

Vic Woodhouse
Manufacturing Manager

Gadgett
Quality Manager

Tony Powell
Technical Manager

Jack Wilson
Production Controller

Pete Jackson
Sales Engineer

Dougie Bell
Contracts Manager

Josh Blackthorne
Project Manager
(Heavy Fabrication)

Placement
Student

Laura Mitchell
Assistant Buyer

Works

Fred Hibbert

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"I feel slightly uncomfortable with him. I don't know why. I partly feel that he does not want me here. Yet when he does start to talk and open up, he appears to enjoy it".

There are many angles to explore here but firstly I will say a few things about the boundaries of the relationship which I think he drew and I accepted. The unwritten rules were:

: I will speak only when I want to and when I am ready to (although in fairness when he did speak, he spoke at great length). This was reinforced by my having to wait around a lot of the time to have a meeting with him;

: I don't want you to say much in response;

: My ideas are mine and I am only telling you for your information (or to impress);

: All the new developments are my ideas;

: I don't want any direct feedback;

For example, I said to him on many occasions that I wanted to give him some feedback on my findings so far and could we block out some time to devote to this. This never happened. On yet another occasion where I was trying to say can we talk about my findings, I said that some of the findings were delicate, his response to me was "well, I don't mean to sound arrogant or anything but I would like to think that there is not much about this company that I don't already know". On reflection now, what he used to do was bounce ideas off me. On many occasions he asked me what I thought, or rather he told me a new idea that he had for developing the marketing plan or developing advertising within a new geographical region. I would agree that they were good ideas, or I would add a refinement or suggestion. But underlying all of this was an ownership issue. Often he would be talking to me about something and I would think that sounds familiar and if it was a new idea, I would sometimes not be sure of the source of the idea (whether it was mine or his), or whether it emerged out of the interaction between the two of us. But ownership of ideas and products was

very important to him.

For example, I devised a customer service questionnaire which I left for him to look at. When I returned the following week, he had completely revised and re-typed the whole thing himself. I also recall that one day when I was talking to him about his social network, he began to talk about his brother, father and grandfather's of both sides of his family, telling me about their characters and personalities. I was really quite surprised and often perplexed at why he was telling all of this. This contrasted very sharply with the often arrogant manner in which he would claim ownership for ideas, events and turnaround successes that he had been involved in. On a good day I admit being to being flattered by his need/desire to tell me his stories. On a bad day I admit to being sick and tired of stroking his ego. My 'relationship' with the General Manager, although difficult to account for, is recorded because his ability to talk at great length gave me vast amounts of detailed material about the concept of 'change agent' which is how he saw himself. Commenting on my relationship with Darren Craven is also important as it alludes to some of the contradictions which other organisational members commented on in their relationship with him.

The Interview

The research method used was 'participant observation', although the role I adopted was researcher participant, whereby I was participating in events as a researcher rather than a resident member (Bryman, 1988) or active participant. In order to explore aspects of life in the small family business, a topic-oriented ethnography is created. A range of methods were used from unstructured interviews, to semi-structured interviews, observation, secondary sources of information such as archives and company reports. "Ethnographic interviewing is a special kind that employs questions designed to discover the cultural meanings people have learned" (Spradley, 1980:123) and so I decided to begin with an unstructured approach during where I asked people to talk to me about their jobs. It was certainly the case that I learned a lot more by

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adopting this approach. For example, during these unstructured interviews, they would also tell me about their lives, marriages and which people they did or did not like in the organisation. This was followed by two more semi-structured interviews and many more informal chats with each person in which I wanted to explore a number of specific topics with them. Imposing some structure on the interviews was quite difficult to do because they had become quite used to talking to me about what they wanted to talk about. I had, therefore, to find a balance between 'hearing' what they wanted to tell me whilst securing answers to more specific questions.

Getting Rapport

On my first day in the company, I took the advice of the General Manager and entered into the extremely messy and overcrowded Works office which was shrouded in a dense fog of smoke, I said I was looking for Vic. On introducing myself there was a ripple of amusement: "so you're Dennis are you?", Vic, the shop floor manager asked. I played along with this, knowing that they were testing me and seeing if I had a sense of humour. I later learnt that everyone in the company had a nickname anyway and that Dennis was going to be mine and from day 1 people would call me Dennis (even the G.M.). On reflection I was right to just accept and play along with this. After a couple of weeks, someone did ask me if I would like to know how I got the 'Dennis label'. One version is that a memo came around to tell them that I was coming and there was a spelling mistake on the memo (so instead of saying Denise, it said Denis) and that was how I got the name. However, I suspect there was no spelling mistake but they just chose to call me Dennis.

It transpired that there were already 5 people in the Works office (2 of whom smoked) and there was quite literally no where to sit. This was very much a 'male domain': the men from the shop floor congregated here to discuss technical issues, there was a lot of bantering, noise, there were pornographic images around, the office was extremely filthy with old, shabby furniture. So that day and for many days after, I had nowhere

to sit (to put my coat and bag down was a problem). So I sat wherever there was space on that particular day -if someone was out or in a meeting then I would occupy their desk. However, this was not ideal because eventually when I started interviewing I needed really to have a private room.

So eventually by my own endeavours, I found a desk in an office overcrowded office with boxes, with an obsolete computer sat in the middle of the desk. The mid-fiftyish-year old member of this room told me that I could happily share his office "my love" and from there, I began my field work. I used to use this desk as a base, somewhere to put my coat/bag etc. but I did some interviews from here, as the occupant used to welcome my use of the room for this purpose so that he could go off for a fag and a chat. I also had to be careful about leaving any notes around or transcripts as I would not have trusted this person.

To start the field work, I was given an organisation chart. As the company is small with only 25 employees within the engineering division of the group, I decided to talk to all the people that were represented on the chart. The chart excluded the men working on the shop floor below supervisor level. Although I did interview one of the shop floor workers. I began by interviewing each of the five managers. As a way of building up trust in the beginning, I told the interviewees that I was learning about how a small company was managed and organised. Of the five managers' responses three immediately quipped "or not managed". I said that I just wanted to learn about the company and how everyone fitted into it and that what they said was confidential and that it might be helpful for them to reflect on their approach to their work. I also told them that I was adopting a new approach to researching small businesses by spending one day a week for several months here. I said, trying to make them feel special and encourage them to empathise with my approach, that most researchers went into small businesses conducted a 2- hour interview and then imply that they knew the company. However, my approach was different because I was really trying to understand in depth how the company worked.

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In beginning interviews with the organisational members, I suggested that they tell me about how long they had been with the company, what they did here. It was very easy to get them talking and I was surprised just how quickly they relaxed and began to tell me about what was wrong with their job and their day to day niggles and worries. I would say that their initial response to me was bemusement and curiosity, "so what are you doing here", "how long will you be here" and "we are very ordinary you know". Being interviewed by "this woman from the university" was something different which broke the normal daily routine and provided a new source of gossip. Also, in the beginning I think many of them thought I had been 'brought in' by the chairman or new General Manager to 'spy' on them and check out what they were doing and so they liked to test me to see whose 'side I was on'. One such test was put to me by the Works Manager who told me during an interview that the Sales Manager had organised several of the men on the shop floor to come in on a Saturday in order to use the machinery etc. to make wire hanging baskets which he was then going to sell in a car boot sale. Clearly, the senior management were not aware of this and had they been, the Sales manager would possibly have lost his job or at the very least been given a warning. At the time I thought the Works Manger was testing me in order to see if I would take the information to the General Manager, but also now with the benefit of hindsight, I realise the Works Manager had mixed motives. He wanted to test me and establish what my relationship with the General Manager was and at the same time he wanted to get the Sales Manager, whom he did not like and saw as a trouble-maker, into trouble. To establish rapport and trust therefore, I just listened. This suited me and I felt this was what they wanted. They were a little surprised that I was interested in them "we are very ordinary, just a small family firm", "things don't change much here" - little did I know just how untrue this was.

Learning the Ropes

Gubrium (1991) suggests that in order to gain access, establish rapport and 'learn the

ropes' of field work, it is important to 'keep your eyes and ears open but your mouth shut' and learn the meanings that permeate the setting and learn to become sensitive to the local culture. This requires, he suggests, an ongoing appreciation of how the local culture is defined and organised by spatial and temporal variations. What is important then in ethnographic inquiry is the need to participate in their daily lives, talk to them observing what they do and listening sympathetically. Warren (1988), in exploring the nature of "entrée and the web of gender", suggests that the "fieldworker"s initial reception by the host society is a reflection of the cultural contextualisation of the field-worker's characteristics" (p.37), (marital status, age, physical appearance, presence, number of children). However, in my case, although they wanted to know if I was married, the main thrust of the contextualisation process for being accepted and learning the ropes was acknowledging an unwritten code. This code, which was implicitly embedded in the way they treated me, was to be 'one of the lads' and just 'muck-in' like everyone else. Respect and trust was not something that was awarded by status or position but was earned by successfully jumping through the different hoops that are put in your way. These 'hoops' take the shape of: doing tasks that are not your own without complaining; working longer hours; achieving high standards of quality/output; being highly skilled but not bragging about it; helping others when they are busy; having respect and keeping a sense of humour. If you do these humbly without making a lot of noise then you are accepted as 'one of the lads'. Pushing yourself forward and trying to score points over others is, as many people in company learned, a passport to unpopularity and dismissal.

I interpreted this 'unwritten code' partly from the way they 'acted' with me and from things they said particularly in relation to questions about 'what sort of person gets on here'. So in order to contextualise myself, at least in the beginning, I never talked about the research or my life at the University, or my ideas. Sometimes, people asked "what are you going to do with all this information" but on the whole it was my impression that they did not want to hear about things that did not relate to them and their daily lives. To start talking about life outside of their work setting was, I

interpreted, unwelcome and disturbed their sense of identity and well-being. This was the process through which I was accepted and 'accommodated' within the organisation.

Role Adoption

In terms of 'hanging around and adopting different roles, Warren (1988) recounts that she found it quite easy to adopt a "shrinking violet" role in field work and often found wearing different masks in field work quite enjoyable. She goes on to suggest that it is often argued that women have a special talent in the field for fitting in and adopting certain roles. Whilst it is difficult to generalise to other female field workers, it was certainly the case for me that I just automatically assigned myself to non-threatening and subservient tasks in the company out of a desire to fit it. I took on roles which did not match my abilities and which I found incredibly boring. For example, in order to sit in certain offices and hear what was going on, I would offer to undertake filing and mundane tasks- such as photocopying, developing a new filing system etc. Although I have to say that no one expected or asked me to do this, I offered help and often said to people who were busy, "is there anything I can do to help you".

I was cautious to play down my role, I never used words that I thought they would not understand, or tried to be clever. I always let them sit in the 'big chair' when I was interviewing. Another way in which I tried to get them to accept me, was by doing a lot of ego-stroking. By listening to hero stories, listening to marital problems, listening to job problems, I know now with the benefit of hindsight, that I was eventually accepted because I did not go in and push my way around. I intuitively knew, although this was often very frustrating, that the best way was to go slowly, beginning with listening (and very importantly not passing anything on to anyone else), doing positive stroking and not really commenting or challenging what people were saying to me.

With hindsight, although this was often frustrating, this was absolutely crucial for developing rapport and trust with them. I did not set myself up as some intellectual from the university who would not dirty her hands with all sorts of tasks, but I proved I was prepared to muck in and I think this won the respect of the people in the company. It is ironic that this aspect of 'mutual respect' emerged to be very important in the company.

On reflection now, I realise that what I was doing was conforming to what I thought they expected of a woman in their work setting. Warren (1988) argues that "what can be seen on the one hand as women's special talent for fieldwork, can be seen on the other as a feature of the politics of gender dominance and submission that characterise so many cultures" (p.37). It is interesting to note now on reflection, that upon entering this male-dominated setting, I immediately adopted the role of non-threatening researcher, moulding myself to what I thought they expected of me, assigning myself to traditional female tasks/roles (although I did draw the line at making the tea). The fact that I never seriously considered challenging the status quo could be interpreted as a feature of the politics of gender dominance/submission, is a issue that I never fully confronted until after the research. I recall that Holliday (1995) recounts her desire to be liked in the companies that she worked in and certainly my method of establishing rapport was done intuitively, in my desire to be liked and to fit in and I never considered that this was a form of male domination or the reinforcement of sexual stereotypes.

This role adoption did however, have certain advantages, particularly as I look back at some of my findings. Whether it is irony, luck, or intuition, the role that I chose to adopt within this company as a way of getting acceptance, became the very issue which dominated relational patterns more widely in the organisation. I had not realised just how difficult this might have been, had I adopted another role or strategy. In later chapters, I refer to examples where certain organisational members had been "removed" due to their lack of willingness to "muck in" and their "superior" attitudes.

However, I would go as far to say that, I would not have collected the depth of material that I did, had I adopted a different role.

The General Manager, in a conversation concerning a female undergraduate student whom I had got on placement there, suggested that she had fitted in so well because she did not try to lose/hide her femininity and "be like a man". According to the General Manager, she carried on being female and that was why she was well liked and he added "that women make good managers because they are more tolerant and bring something to their jobs which is different from men". The interpretation that I now make of this conversation (and he was referring to me also) was that she (and I) fitted in so well because we conformed to, rather than challenged, the sexual stereotypes that the men in that company had of us.

The advantage of conforming to sexual stereotypes was that people thought I was safe, they could trust and could accommodate me within their daily organisational life because I did not rock the boat or challenge the status quo. I listened to their whining and moaning and I gave a good impression that I was part of them - on their side. I didn't say things which challenged their beliefs, values or views on the world, at least not in the beginning, but neither did I to any great extent even in the later days of field work. In terms of undertaking field work, this is important because it does allow you greater access and encourages people to open up more because they trust you more than if you tried to break these sexual stereotypes and challenged their traditional views. As Warren suggests "female researchers "encounter more willingness on the part of both males and females to allow access to inner worlds of feeling and thought" (p.44) Eventually, the people in the company would say to me "what do you think about this" and I was allowed to give feedback or offer my opinions and in fact towards the later part of my field work when I wanted to adopt a more challenging role, I was not able to because people had certain expectations of me. So that by this stage, as soon as I got into the office, certain people would update me on their personal problems. I wrote in my diary, "feel that I am at a point where I can

withdraw or 'go for confrontation' that is actually making people think about some of the contradictions". However this was not to be in any strong sense. I felt my role had been mutually constructed and accepted and it was difficult to suddenly change it at a time that I wanted it to be different.

Another sign of my ability to fit in to the small firm, can be illustrated by my success in getting to talk to the original founder and owner-manager of the company. He had started the company back in the 1950's and retired from the company in his seventies in 1994. By this stage he had passed the three divisions of the company to each of this three sons (although only the youngest son now the Chairman, was left in the company). However, the father was still an active business man and conducted his general affairs from an office in the company which was adjacent to his son's, the Chairman's, office. I had been told so much about this man because his reputation followed him around and he was presented to me at best "as a very strict but fair man who nobody messed around with", or at worst "as an ogre". He apparently had extremely high standards and expectations of his staff and yelled at anyone who did not meet them. Naturally I wanted to talk to him about how he started up the company but he did not appear to be very approachable and I had to find the right opportunity. I had passed him many times in the corridor and in spite of my smiling at him, he never acknowledged me. One day I saw that he had a new car delivered outside of the premises. He appeared to be a little friendlier than usual and I thought that this would be a good day to ask him if I could talk to him about how he started the business. So, I knocked at his door, explained what I was doing there and asked if I could have a chat with him sometime. He agreed and we made an appointment for the following week. In fact he was quite pleasant although he did not say very much. However, I did adopt a certain role with him -that of humble and grateful researcher.

I also take it as a sign of my success at gaining acceptance within the company in that eventually those people that I had not got around to speaking to were quite perturbed at why I had not interviewed them. Warren (1988) refers to the fusing of 'the

nurturing and sexual aspects of womens' place in the social order' to argue that this is often relevant in "settings such as formal organisations where sexuality remains an undercurrent to the bureaucratic business at hand" (p.45)   She recounts her experiences in field work research with lawyers. She attempts to explain a judge's willingness to share information and his desire to force her presence on others in the setting in terms of her being seen as a "sexual mascot" with whom the men were pleased to parade in and out of chambers with . One parallel which I can draw with this is the way in which people would ask me when it was going to be 'their turn' or 'did I need to see them again'. In fact this happened with the Chairman, who I was 'saving' until I had got a good stack of interview material but I had to bring the interview forward because I was told discreetly by the General Manager that the Chairman was 'feeling left out' and had been asking when would I want to talk to him.

In addition, when I was interviewing the General Manager, we were often interrupted by the Works Manager who always had a few comments to make on finding me in the General Manager's office. On one occasion when I had been listening to the Darren Craven for 2-hours, the Works Manager said to me "are you still here" and to us both "you can't keep me out you know", "there are all these men out here who need.......", implying that whilst the General Manager was giving me all of his attention he was neglecting his men.

Maintaining relations

In terms of maintaining relations, once established they were not difficult to maintain. Although I was only going to the company one day per week, whenever I went back, we just picked up where we left off. In fact it was interesting to observe that my being there on a Tuesday had become a routine because when on a couple of occasions I went on another day, the response was 'but this is not your day'. However, there was one occasion, where I felt I had over stepped my mark. I had told 2 male members of the company who were both together in the reception that I would like to speak to them that afternoon.   The wife of one of these men (the Works

Manager) is the receptionist and she was there too. I got on extremely well with her and she was a good informant. I would make her coffee and she would fill me in about all sorts of bits of news, events and happenings. Janice and Vic appear to be a very close couple and I remember one time when he had been sent on a 2-day supervisory course in Nottingham she was asking me where the hotel was in relation to the centre of Nottingham, what was it like, was it lively etc. and I suspect that she was wondering at his prospects for having a good time while he was away. I recall that one of the men said to me "do you want me" and I said "no, not at the moment but I want you" (pointing to Vic, the Works Manager whose wife was there). There was something of a silence and I know she did not like me saying that. It meant nothing from my point of view but I felt I had overstepped the line with her in some way. Anyway, when I was interviewing him in another office, she came in without knocking to clear away some cups. Her unspoken words/actions were full of meaning which I fully understood.

In conclusion of this part, I have attempted to recount my experiences of working in the field. I have openly acknowledged my impressions and interpretations particularly in discussing the gender dimensions of the research. Warren (1988) concludes her account by arguing that the so-called special talents of women and their place in fieldwork have resulted in a mythology which is based on women's general social place as nurturers, communicators and emotional labourers. This, she argues, has stemmed partly from the concealment of field work problems in published accounts. In recounting openly my experiences of fieldwork, my special talents for gaining access and rapport are the ability to mould and adapt myself to the work setting, being sensitive to people's needs and conforming to what I perceive to be their expectations of me. I did not consciously decide before going into the company what role I would take. If I am honest, I would have preferred a much more strategic role. However, in talking to and interacting with people in the firm, certain subtleties and nuances are commonly expressed in conversation and interpreted by me. This has the effect of influencing and shaping the way that I act in that setting. Thus, my role as a

researcher in this small family business was created by me in interaction with organisational members. Conforming to, rather than challenging what I perceived to be their expectations of me (ie caring, listening), had the effect of reinforcing both masculine and female sexual stereotypical roles. My ability to be accepted therefore related more to me conforming to my sexual stereotype, rather than to the fact that I was female. However, it is difficult for me to comment on whether the depth of information I collected was because I was female or for other reasons. Although I do suspect that some things might not have been said in the detail that they were had I been a male researcher.

Leaving and Keeping in Touch

Leaving the company to try to start some of the writing was strange. I often felt reluctant to leave when I was there. I definitely felt myself being 'sucked in' to their familiar routines. I also really liked some of the people and I cared about whether the business worked it out or not. My decision to retire from the company for a while was determined by two considerations. Firstly, the insights I was collecting now were being repeated. I had actually reached a time a few months before when I thought I was not getting anywhere and just when I was beginning to feel frustrated about the lack of progress, I found a new informant (from the shop floor) who offered me a different perspective. This took me to another level of analysis. But after several months, I knew that what was being said to me was repetitive, the same old moans but packaged in different ways. Secondly, practical considerations took a hold in that I was coming up to a time when I would have a gap for writing and analysis and I wanted to take stock of things. So I withdrew for a while. Although I went back and still go back from time to time to see how things are progressing. However, I can also admit to a feeling of relief on leaving due to frustration over the role I had adopted and could not change. It was a relief to get back to normal. On my last visit, I would very much have liked to have asked the Chairman and General Manager out for lunch but I did not for fear of how it might be interpreted. I think this is a shame because I

genuinely wanted to thank them for their cooperation. However, I did feel that this was in some way crossing a line, which we had drawn around the research relationship. Thus, I came away from the research field as ".....an academic, (still) safe behind the membrane" Rose, 1990:16).

Shaping the Story

This final section of chapter four is concerned with the methods used to shape the telling of the ethnographic account. This is approached in two ways: firstly in terms of the role of the writer in constructing the accounts and secondly, an account of the choices made about what is the story to be told and what aspects or themes should be included. Finally, the ways in which ethnographic inquiry contribute to scientific knowledge of small firms, is discussed.

As discussed earlier in this chapter, an ethnographic account is only a partial record of the culture under study. It is not possible to present a composite picture of a total way of life, as I do not claim to have this knowledge. However, it is my intention to show aspects of life and changes within a small business organisation which are drawn from the research questions and conceptual framework. But the next problem to be faced is that having undertaken months of field work there is a vast amount of field notes that have the potential to yield many stories and insights about aspects of small business organisation. This raises the problem of how to 'manage' the 'heavy glop of material we call fieldnotes' (Miles & Huberman, 1994:118). This 'heavy glop of material' therefore needs condensing and shaping into a coherent and empathetic story. At this stage therefore, the researcher has to make decisions about which themes or patterns to pull out and which evolving story to tell (Miles & Huberman, 1994). The following discussion accounts for how the decision was made to focus on strategic change issues within the family firm.

Whilst initially the research was concerned with mapping out the inter- and intra-

organisational relationships which gave rise to and shaped the strategic orientation of the company, in undertaking the field work two issues became apparent which changed the main focus of the thesis. Firstly, the search for inter-organisational networks of varying descriptions that could be given labels (formal, informal) was fruitless in the sense that neat categorisations of networks could not be found to 'exist' in the small business. However, patterns of relationships could be identified but once again it was difficult to give them neat labels because each relationship was interpreted and constructed differently according to who was doing the constructing. This led to a re-evaluation of the methodological perspective and the move towards a social constructionist perspective of organisational networking. The distinctiveness of this perspective was the emphasis on the constructive side of networking and the ways in which people in organisations make sense of the relational patterns in which they are involved. This approach does not assume that networks are static and it captures the idea that something is always being added, thus networking is a progressive process, ever-expanding. In this way, the network researcher can produce ideas, impressions, recollections and 'imaginisations' about organisational networking patterns, which allows for richer conceptions of networking processes as they are continually produced and reproduced by managers in their organisational contexts. Social relational networking patterns therefore still form the core around which the 'story' is constructed. However, other more emergent issues and themes came to dominate my field work.

As a result of the unstructured interviewing technique adopted in the fieldwork where I was encouraging people in the small firm to talk about their work and the different relationships they had constructed to help make their jobs meaningful, other issues came to the fore. These issues/themes centred on: the 'family' and its relationship with the 'business'; the role of the non-family 'professional manager' who was brought in as 'change agent' to transform the family firm; the desire and need for change; the change process/policies/structures; and the organisational response to change. These were issues which I had not anticipated before undertaking the field work and as a

result have now been given full acknowledgement. Chapter three has been re-shaped to take these issues and themes into account. At the same time these issues have been integrated within the conceptualisation of organisational networking developed in chapters one and two. Social relational networking patterns therefore are seen as forming the 'heart' of the conceptual framework through which strategic change processes are realised. In addition, the ethnographic account as presented in chapters five, six and seven is constructed around these dominant themes. More specifically they are shaped as follows:

1. Chapter five examines the concept of 'family': how this is interpreted, made sense of, how this influences/shapes orientation to work, job satisfaction, networking patterns; and what it means to work in a family business;

2. Chapter six examines organisational networking patterns and begins by introducing the characters in the case study through the way in which they are talked about by their colleagues; also attributes and ways of working are identified which characterise organising processes in Farnsworth engineering;

3. The 'professional manager' his life history, how he sees himself as a change agent, his approach to change, and policies/structures he tries to put in place; also how the policies and new practices are interpreted by organisational members;

These dominant themes provide the frame of the story. Attached to these main themes are other sub-categories of meaning which have been located within the main category. Through reading and re-reading of field work material, categories of meaning which incorporate concepts from both academic and native setting are amalgamated, sorted into 'bins' (Miles & Huberman, 1994) and given a label. The 'labels' are derived from both native and academic language. For example 'folk terms' refer to all terms that come from natives. An example of this within the company under study here would be the "Electric Chair" which organisational members used to

refer to the 'big chair' occupied by the variety of General Managers who have been through the company. Secondly, 'amalgamated' categories of native terms can be identified but here analytic terms are introduced to complete the category or make sense conceptually of the term. An example of this would be "Family Business" as a conceptual category where I have located the native terms of 'Caring and Kicking', to explore the contradictions between these two aspects of family business management. Thirdly, there are 'analytic domains' when no folk term can be identified and the researcher labels certain behaviour as a way of evoking, writing and telling a story (Van Maanen, 1987). An example of this would be 'networking', whereby organisational members talk about these issues in terms of daily interactions, friendship ties but do not use the term itself.

Sub-categories of meaning are then identified. These are derived from questions put to organisational members during semi-structured interviews. These sub-categories include for example: orientations to work, decision-making, working patterns, rewards, punishments, power, status, promotions, goals, targets, relationships with customers/suppliers, styles of leadership, role modelling. They are then linked to one or more of the dominant themes. These choices are made on the basis of: emerging patterns of relationships between sub and main categories of meaning; and the ability to make patterns of meanings and insights intelligible and/or meaningful.

The authorial pose adopted for writing the ethnography is also important in the construction of an ethnography. The pose adopted for this chapter is that of 'writer's use of self as the register and filter of worldly happenings' (Van Maanen, 1987:133). What I have attempted to do here is to 'show myself' as a character in the story by discussing my role and relationships with people in the company. However, for the ethnography unfolding in the next three chapters, another authorial pose is adopted. This is the 'half hidden pose' where the writer speaks through characters or as an off stage narrator telling what the characters are doing. In this way, the type of tale to be constructed for this ethnography is a 'realist tale' whereby I will construct a narrative

of the aspects of strategic change processes within a family firm. After my appearance in this chapter and the account of my reflections, experiences and 'confessions' of doing the field work, I will now "disappear into the described world" and my presence will only be apparent through the analytical categories which I choose to embellish. In this way, I play only a cameo role (Van Maanen, 1987). A story is weaved around the chosen and emergent analytical categories through the use of narrative, central to which is the dialogue between the researcher and organisational members. The main story is that of strategic change as seen from the point of view of the family, non-family members and the change agent brought in to the company to affect change. Integral to the story are people who inter-subjectively share meanings in interactions with each other. These collective meanings and patterns of relations become regularised, institutionalised and realised in courses of action which realises strategic change processes.

Easton & Araujo (1991) aim to bring together perspectives on organisational networks as 'complementary' perspectives, which conspire to give birth to networks "as a separate and viable paradigm in its own right" (p.3). Whilst its is not the intention of this thesis to conceive of networks as a 'separate and viable paradigm', it is intended to conceive of organisational networking as a distinct or useful mode of theorising about (strategic change) organisational processes. The ability to conceive of organisational networking as a distinctive mode of theorising strategic change processes can be assessed in terms of its value in yielding insights and understandings to the reader. An assessment of the relevance, usefulness and generalisability of the methodological and conceptualisation of organisational networks is undertaken in chapter eight.

Chapter Five:

Farnsworth Fabrications: Start up, Growth, Succession and Decline of a Family Business

In 1957 Fernie Farnsworth reluctantly started his own business. Thirty years later, it is ironic that the current chairman of Farnsworth Fabrications, one of Fernie's three sons, was also reluctantly brought out from his teaching career to be involved in what had become the family business. Fernie, now in his 70's and commonly described by his colleagues as 'a small man with a powerful voice', is no longer directly involved in running the company, although from what people say he still appears to be influencing the business indirectly. Fernie tells me that going into business was "forced upon him" by his first wife's father back in the 1950's and that he had had to sell his car (£500) to invest in the business. He tells me that he did not always enjoy being his own boss because *"being a shy bloke, I did not like going out selling and pushing the company"*. However, in spite of this initial reluctance everyone in the company talks with pride about how Fernie successfully grew the company over twenty years to the point that it had grown from two to seventy employees. Fernie's colleagues talk about him with mixed feelings:

"Well I respect him for the fact that he gave all these people work but as a person... I think he is an ignorant sod basically and I do not have a lot of time for him"(Technical Manager);

"I don't think a lot of people would stand there and admit it but a lot of people have got a lot of respect for what he has done. He built the company. We got into trouble and he bailed us out after he had retired" (Manufacturing Manager);

"He's just a nice bloke, he growls at you and shouts at you... he used to scare me to death. I respect him for what he has done" (Buyer);

"I think he is a very clever businessman although he shouts and bullies people"
(Quality Manager);

"With Fernie you knew where you were stood" (Percy from the shop floor).

The company had started as a partnership between Fernie and another man whom Fernie eventually bought out in 1965 because, according to Fernie, he was found to be *"messing around"*. After that the company *"just went from there"*. The company began as an insulation company until orders for sheet metal began coming in to finish off the lagging and Fernie tells me that he had to consider employing additional workers:

"we eventually had to employ a man in the yard to make the stuff up for people on the sites and that is how sheet metal came about. Then in 1970, I went to the bank and got enough money to put up part of this place and slowly we have got to where we are at the moment.........the business just grew, you just had to look forward and when you wanted an extra workshop you got one and you just grew with the company".

Fernie's accounts suggest that the company's boom time was the 1970's when it had considerable subcontracting opportunities in the lagging and sheet metal sector. Fernie (and others) refer to how the company made a lot of money through contracts in Gibraltar which they entered in the late 1970's. According to Fernie, they just happened to receive an engineering contract there and because it was the right time to be there they *"made a lot of money in a short time"*. This is felt by Fernie to be his biggest success. But since the late 1970's the industry has been declining and the company has not made any significant changes or attempted to move into new markets. It was Fernie who oversaw the growth of the company and, although unplanned, the pattern of growth reflects the traditional (start-up, growth, maturity, decline) stage model which is used more widely in studies of small business. In

talking about the growth of the company both Fernie and Lenny, his son, recall how the company had diversified into related product/service areas such as lagging, insulation and plastics. One interpretation of this could be that at a time when the market for fabricated steel was maturing they moved into related product areas. However, both Fernie and Lenny's accounts suggest that the diversification was due more to Fernie's vision of bringing his three sons (Bryan, Lenny and Andrew) into the business. What can be inferred from this and is further reinforced by conversations with other colleagues, is that it was always the intention of Fernie to bring his three sons into the business and that the structure of the company with its three divisions (fabrications, insulations, plastics) was designed in such a way so as to accommodate each of the three sons at the head of a division.

In common with many family businesses facing transition from first to second generation (Gersick et al, 1997; Dyer, 1989; Barnes & Hershon, 1976;), Fernie admits to "*finding it difficult to hand over*" but he gradually did hand over his shares to the three sons by bringing them into the business when he felt the time was right. The middle son Lenny, now the Chairman, recounts how the transition took place and how the transition was seen by his two brothers as an opportunity to 'get out' of the business:

"Bryan (the eldest) was the MD of the Sheet Metal and Andrew was MD of Plastics. I went from being assistant MD of Insulation company to being Deputy Chairman, with my father as Chairman. That was probably what he wanted. But maybe because we are not a close family and also there was quite a lot of differences in the strengths of those divisions... So I think his advisers told him at the time the best way to keep the sons and the companies together was by making them all equal shareholders in each other companies and that is what he did. And he did it and that was what he thought would keep everyone together. But unfortunately that made it work the other way and when Bryan and Andrew saw they were being gifted with a number of shares, they thought this is their opportunity to get out and do something else away from the

company business. This was not was intended and weakened the company with those pay outs....."

In this account Lenny is highlighting some of the sibling and father-son tensions which characterised their relationships with each other and the rest of the business. So that whilst this was the point in the company's history at which it had become a family business (in the sense of ownership and management of the company being concentrated in the family unit (Litz, 1994), it was also the point at which the role of the family was rapidly dissolving. Lenny continues his account of how his brothers reacted when he joined the company:

But after that split, I was realising in my role as the deputy group MD, I had come from being very involved in the day to day running of the insulation company which at the time happened to be the strongest company and doing rather well... . I then went to do a more admin role in all the companies and I could see a lot of faults and things that needed to be changed and I suppose again in a family company.... there was resentment from other family members and maybe my elder brother thought that as I was younger [and so] why was I in this position and why wasn't he. My younger brother had got some problems with responsibility anyway and things were being suggested,not just by me but by my father as well, which were just not going down very well and my elder brother had been through a divorce not long since and thought I have been in this business for 20 odd years and now I want to get out and do something else and he wanted to run a pub and that is what he is doing now and is very successful. He is working hard and is very committed and towards the end here, he was not committed to the work he was doing so it was good for him to be bought out. It then gave us the freedom to make the changes in that company (sheet metal) that needed to be made. But at the same time, my younger brother wanted to be bought out and we therefore got someone in on the plastics company as well.

This indicates some of the tensions which Lenny feels were shaping the relationships

between the family members. From his account it is possible to identify several themes: the elder son resisting ideas of change which came from the younger brother; Lenny and Fernie being seen to conspire in forming an alliance in order to make changes which they felt were important; the elder son having other aspirations and wanting to be charge of his own business and the youngest son not acting as responsibly as was expected. Whilst non-family members of the organisation have suggested that the reason for the two sons leaving the business was the dominant role of the father, other personal reasons are also identified by Lenny which seems to indicate the sons were not as committed to the family business as the father had hoped. There is some irony in the reluctance acknowledged by the father in originally starting the business, an irony which is also shared by the three sons in their involvement within the business. In particular, Lenny recalls how he was 'brought into the family business' and this indicates some of the stresses and strains that are involved in managing family relationships within the business.

"Actually I didn't (want to come into the business) at the time, I always knew at the back of my mind that I would come into the company business and I did want to come in at some point. When I went away and trained to be a teacher and I got my qualification and I taught, I loved it because it wasn't like working. So when I had just completed my probationary year, then my father said you need to come in, you need to be here, I came back. I would have liked to have taught for another year or two and I found out what working was all about but I suppose at the time the financial rewards did make up for it, they were better and have continued to be - although I am sure there has been a lot more stress and problems particularly working in a family business where the family members are still there. Now for me it has changed. When I started, there was my father who was in charge of all the companies, my elder brother Bryan was in the fabrication company, I was in the insulation company and my other brother Andrew was in the plastics company. It was very difficult working with family members. It was very difficult for a long time working with my father. So I think they are very different from other small firms in that they have got these family

members so that if you are in a meeting, you have to bite your tongue, you cannot just stick to what is the question on the table, other issues come into play and you have to pick what you say. Whereas if it was someone else like here now, emotions do not come into it in the same way, you can talk about subjects without thinking if I say that is it going to offend them, am I leaving my self open to this or that.

On recounting his experience of joining the family business, Lenny is referring to the issues and tensions facing firms when they attempt to move from one generation to the next. Prior to the brothers leaving the business, individuals recall how the company was in a fairly strong position and the impact of the recession in the early 1980's had not really been felt. The transition into second generation coincided with the continued growth of the company within the three divisions but the exit of the two brothers at the same time cost the company a considerable amount of money and left the company lacking in managerial skills. In effect the transition to second generation had not been planned for, the father had assumed that his sons were as committed to the business as he was and from interviews and conversations with people in the company, it can be inferred that the father's style of managing and his philosophy of business continued to influence the ways things were done in the company making it very difficult for his sons to make their mark.

With the exit of the two brothers and Lenny in place as Deputy Group Chairman, the company was faced with a long and turbulent period through which a series of events and management changes coincided to cripple the company and push it into decline and near failure. As the company evolved from a family to a non-family business, Fernie and Lenny felt the need to bring in some outside management expertise to help run the divisions. During a 4 year period in the late 1980's, nine different people were put into the role of general manager reporting to both Lenny (as Deputy Group Chairman) and Fernie (as Group Chairman). What followed was a 5 year period of instability and chaos. It is possible to re-construct the trail of 'management disasters' that followed the brothers departure from accounts given by all the organisational

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members who were interviewed. This was the theme which dominated the initial interviews with staff in their complaints about the "lack of leadership" and "instability" within the company which they blamed on the continuous management changes. The chair occupied by the different Managing Directors who were brought in to the company as it evolved from being a family business was commonly known and referred to as the 'electric chair'.

The 'Electric Chair'

From the different accounts, it is possible to identify that the trail of management changes began with Stuart who had originally founded the sheet metal company with Fernie. The accounts suggest that Stuart was made a Director of Sheet Metal but after his wife died in 1989 he started drinking heavily and he was *"encouraged to sell his shares"*, although he stayed on in the company in a consultancy capacity. The next person that Lenny recalls bringing in to run the sheet metal division was David Weaving:

"unfortunately the sheet metal man we brought in, everyone trusted him and thought he was very good, this was all the top management not just me and my father - and he was a con man. We got David Weaving in early 1990 and everything seemed ok until April/May of the same year. Stuart died only 5 months after David took over. What we also did not know before he died was that he had some serious misgivings about Mr Weaving, but was not able to get that knowledge or fears to us... Otherwise it would not have gone as far as it did. And then, maybe because we were not as clued up on sheet metal as we should have been, we were taken and conned which set us back very seriously. When we found out the problems in the falsifying of accounts, I think it was a figure in excess of £300,000, which was an awful lot for a small company and we have been fighting an uphill battle since then.

In a conversation with another member of the organisation, I was told that "*good old*

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Stuart saw it all..but he had a disagreement with Fernie and Lenny.... and he kept it all in and had a heart attack and died" (Manufacturing Manager).   What seems strange is that the father and son appear to have trusted an outside person they had brought in to run the company more than they trusted 'their own people' (such as Stuart) who had grown with the company. This is particularly surprising in that Fernie had once said to me that the type of person he thought was a good manager was someone who had *"come up from the tools"* and he cited Stuart as an example of a good manager coming up this way and who was *"an excellent bloke and when he died left a gap that was never really filled"*. Also, a further issue of interest which can be inferred from Fernie and Lenny's accounts of the fraudulent activity of David Weaving, relates to the relationship between father and son. Although Fernie had handed over the reigns to Lenny by this stage, it was Fernie who had uncovered the untruth by being suspicious over the reported half a million pounds in work in progress which could not be seen on the factory floor. From Fernie's account, it is possible to infer that he was proud of the fact that he had "found out the con-man" and that this ensured his continued status as the 'good guy' of the company. Implicit also in the accounts of individuals as they talk about Fernie intervening are inferences made towards Lenny for not having seen through David Weaving implying that he is more gullible and understands less of the business than his father.

According to Tony Powell, the Technical Manager, the consequence of all this was that *"the following 6 months were a nightmare. At this stage, "Fernie got heavily involved, put his own money into sheet metal, to save it basically, put some of his pension in.. managed to convince the bank etc"*. Furthermore, Fernie and Lenny still felt that they needed to put someone in charge. Tony continues his account:

"There was a guy working here for 6 months named Freddie (an estimator) and when Stuart left they put Freddie in charge. We gave him 3 weeks because nobody had any respect for him. Then they got rid of him.   Then they got this other bloke Robin Dunn ... he was unbelievable...some of his ideas and ways and some of the things he was

doing....... he just got everybody's backs up.   Eventually I think Fernie and Lenny realised he was not the man for the job and asked him to leave, so he left... Then Vic (the current Works Manager) took over not directly as GM but they let him run it for a bit.   I think John Prentice stepped into the office for a week which was a no-go area anyway...They had another bloke who did it for a day but as soon as the lads found out that he had been asked to be GM, there was that much of an uproar, they could not let him do it.

The instability created by the turnover of General Managers, the 'paying-off' of two of the sons, the fraudulent activity of one of the General Managers has had serious repercussions for the company which the company is only just beginning to recover from.   In particular, stories relating to the variety of management changes and the different interpretations of what happened to a particular manager on a particular day dominated all of my initial interviews.   From the stories it is possible to infer that a collective mistrust of senior management in general, and disrespect for the person occupying the 'electric chair', had begun to emerge.   Statements such as they 'let him run it for a bit', 'he got everybody's backs up', 'he was unbelievable', 'there was an uproar', 'they could not let him do it' also highlights some of the demands and expectations which people in the company had of their senior managers.   These comments also indicate how mistrust and disrespect for senior management was expressed within the company and how this feeling of disrespect was being shared amongst each other to the point that it is possible to identify a collective sense of disrespect.   This collective mistrust and disrespect was being reinforced in the continuous telling of stories relating to the management changes.   Furthermore, it is possible to argue that these stories of the management changes and the role of the sons in the business had become so deeply embedded within peoples' memories that their interpretation of and response to current events, issues and problems within the company is shaped by their memory and interpretation of past events.

Also, certain patterns can be identified as beginning to emerge such as the dominant

role of the father (although he was trying to retire). Furthermore, the contradictory way in which Lenny talks about his view of himself trying to reconcile his perceived need to be more like his father on the one hand and wanting to be different from his father on the other:

"I do see my role as leader, although I am not a strong leader, I realise that is one of my faults... ummm, probably because my father was very strong and .... he would tell people this is what you would do and how you would do it and from my experience that did not do down well at times and it suppressed ideas... I am sure that there are instances where I am not strong enough and I should be more like my father and say right well, that's your idea ok but this is what you are doing to do".

In considering the need to bring in new management skills, a further issue for discussion is the lack of trust and recognition given to existing members of the company. For example, the Manufacturing Manager, Vic Woodhouse, who according to one colleague, *"has worked for Farnsworth for 27 years and knows the company and the industry inside out"*, goes on to argue that *"most people in the company agree that he would make the best General Manager because he is "Farnsworth through and through...."*. But Fernie and Lenny do not see Vic in the same way that others readily recognise. The Manufacturing Manger is not slow in picking up on this. For example, in recalling how previous managers have been made into directors he talks about how they were taking the company for a ride. In the process of talking about them he slips in his own views of why he, except for a very brief interim period, has not been put in the General Manager role:

*"I could see everything, they were ordering things for themselves... I used to go down there and say to Lenny this bloke is wiping the floor with you. No, no they would say, you have got it all wrong, the thing is they do not trust you because I came up off the shop floor I am still looked upon as shop floor, [ie] what does **he** know. If only he trusted people and put people in charge, he could take himself off and work from*

home but he can't trust who he has got.

This meant that having hired and fired seven managers (nine if the two brothers are included) over 3-4 years, the company in early 1994 still needed a General Manager to run the sheet metal side of the business. In spite of espousing the importance of *'working your way up from the shop floor'* in order to win respect and *'earn your place'*, it could be suggested that Fernie and Lenny did not respect the valuable skills, knowledge and resources that key people hold within the organisation. Fernie and Lenny clearly did not recognise how developing and improving the business could potentially come from the current team members. This meant that in 1994, they were still looking externally in order to recruit a Managing Director. The importance of professionalising the business was 'learned' by Lenny from the time he had attended a Growth Programme at a local university/Business School. Clearly drawing from some of the language of the Growth programme, Lenny retrospectively recounts that he knew that the company had:

"certainly passed the entrepreneurial stage which my father was very good at but we have grown bigger now and one person cannot control and know everything that is happening. You have got to pass on responsibilities and trust other people. Unfortunately, in the last 4 years, we have been hit hard on 3 occasions where people have lost us a lot of money maybe because we passed that trust on too easily..

He continues... *"I think that family companies also suffer from support, often parent companies that have got the cash, or the ideas to do things need to be funded and if you want to do something, it has all got to be funded from profits. In my experience, family companies do not pay themselves huge amounts of money but probably they have not made huge amounts of money probably because they have not had the huge amounts of expertise and training that other concerns have and so it is a bit of vicious circle, so that if you are in charge and you are not as qualified as you could be, you are not making as much as you could be, then you cannot splash out as much and*

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expand.."

So From his comments, it is possible to infer that although Lenny was espousing the importance of 'professionalising the business', he clearly sees this 'professionalism' as coming from outside the business. In looking for professionalism in terms of good management that was seen to exist outside of but could be 'bought' into his business, it is possible to argue that he was under-valuing the skills and knowledge that already existed within this business. In talking about the lack of financial success within the company, he sees this as being partly due to a lack of investment in training and the lack of qualified people (including himself) that they had in the company. The lack of investment in training is an area which needs to be improved within the company but the statement that there is a lack of qualified staff is misguided particularly if the skill base of the staff is analysed. So, by 1994, still searching for his idea of a good 'professional manager', he was acutely aware that the company could not afford any more disasters and this time whoever they recruited really had to be the right person.

The previous General Manager who had been falsifying the accounts had been recruited externally through advertising in the national press. This is rather surprising given that the company is heavily locked into extensive local networks. However the Chairman does acknowledge with the benefit of hindsight that using local networks would now be his first choice and he would only resort to other methods if local scanning did not result in anything. It was later in 1994, and attempting to learning from past mistakes, that the current Managing Director, Darren Craven was 'poached' from Farnsworth's largest customer.

Lenny had known Darren for a few years and after many lunch meetings over six months and long and careful consideration on both parts Darren joined Farnsworth Fabrications. According to Darren he was invited to come and work for Farnsworth. According to Lenny, Darren had said he would like to come and work for Farnsworth. Also, Darren, in being qualified and skilled in the sense of having considerable

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experience of 'change management' in other organisations, reflects a view of the 'professional manager' "as possessing knowledge and expertise derived from study, reflection and interaction with others" (Watson, 1995a:39). Lenny tells me that he:

wanted someone who had been trained as a professional manager who could see clearly into the future and put systems in place and ensure that we were going to get a steady profitable business.

From what Lenny has said Darren appeared to him to have the right background and characteristics which he sees as corresponding with those of a professional manager (such as competence, skill and ideas). But also he sees in Darren the chance to re-structure and revitalise Farnsworth Engineering. The next chapter is concerned with analysing the role and approach of Darren Craven, the new Managing Director, who talks about himself as a 'change agent'.

As a result of all of this management change and instability, the "big chair" as it is commonly referred to, is also known as the 'electric chair'. Vic Woodhouse (the Manufacturing Manager) explains:

"you see that person that sits there in the electric chair as I call it, as soon as your sales figures drop, the ball drops and they are looking for a new one, that is why it pays to be always one step behind and not be in the firing line as such. You still get a good drilling but not to the same extent"

It is possible to infer from this that a great deal of insecurity and ill feeling has been created within the company as a result of the rapid management changes. From the way individual managers talk about the top management job, this suggests that this is a job to avoid at all costs. Furthermore, managerial roles are reluctantly taken on by organisational members because they are seen as being short term jobs. Within Farnsworth Engineering, it is possible to argue that the management is conceived as

being different and less important from the real day to day and work. The task of management is unenviable in that all the different sides of the business (family, non-family, workers) have to be kept happy. Also, taking on a managerial post means exposing yourself to scrutiny and daily 'kickings' from senior management with very little reward (this is discussed in further detail later in this chapter).

In examining how people in Farnsworth Fabrications have talked about Fernie and the management changes, the historical context within which the company has evolved and dissolved from a family business is highlighted. The discussion has shown how succession issues have dominated the business and with the exit of the two sons how a series of subsequent management changes have shaped the business and the ways in which things are done in the business. In addition, the instability resulting from the management changes has also created an atmosphere of mistrust and disrespect. This section has shown how Farnsworth Fabrications became and evolved from a family business and the underlying tensions which shaped this process. Also, the lack of confidence that the chairman has (of himself and his team) is highlighted by his talk about 'professionalising the business'. This search for 'professional' management has been realised in seven management changes and has had the overall effect of creating more instability, hostility and tension within the business. The next section continues the discussion of how family issues have shaped the business. This is discussed in terms of how the non-family members in the company talk about the family members and events of the past.

'Toad of Toad Hall' - Relationships and attitudes towards family members in the business

Family relationships, issues and attitudes towards family members are now discussed with a view to exploring the ways in which such issues, attitudes and relationships shape current practices and ways of doing things. I recount how Vic, the Manufacturing Manager who has been with the company for 20 years talks about the

family and management changes. Whilst in an earlier discussion Lenny explained the company's problems in terms of the lack of training and qualifications held within the company, Vic cites 'the family' as being the main cause of the company's current problems:

"This company has made a lot of money. We have been busy we have had lorries queuing up outside waiting to come in - but instead of using that money for better machinery, alright the money had gone back into the holdings group (owned by Lenny). They [ie the family] have gone away and had fantastic holidays and done this, houses, 'toad of toad hall', and they have not put anything back in, so what you are left with is inadequate machinery to do the job and now the company is falling behind"

DF - *So you think the problem lies in the past?*

Vic: *"Yes, they have not speculated enough in the past on machinery they have got.... ....well we are not going to waste thousands on a new machine, we would rather go on a holiday somewhere".*

DF: *"Do you think that part of the problem is that it is a family business?"*

Vic: *"Yes, definitely. But because we have had all the sons here at some point and they are not the best of people...Then again when he (Bryan the eldest son) was running the shop we had two land rovers parked round the corner and all the men were building parts for his land rover which was part of his weekend activities. Then we were making snooker tables for him, he was into that. Then he was into wine & beer making so we were making all the vats for.. and this is non-paying, just squandered away. We named him 'Toad of Toad Hall' because he had his land rovers, his beer-making, his snooker tables".*

Vic continues is account referring more specifically to the current Chairman, Lenny.

"It is all very well running about in a big car and posh macs and acting the part but unless you have got ICI behind you, they are too busy playing the big game rather than getting on with the job we should be doing. Lenny likes to be a man about town, born again yuppie, that is all very well if we can afford them but..... you know he carries that little bag, well we had to take it off him when we went out on site because they would have killed him, it is just not the done thing - he is trying to run it as an armchair director".

This suggests that the demands the family members made of the business, their life style and expectations that the business should support their life style, had a serious impact on the business as a whole but it also impacted upon peoples' ability to do their jobs properly. For example, the problem for the manufacturing manager was that he had to account for the men's time working on the personal projects of Bryan, Fernie, Andrew and Lenny and when the work in progress was neglected or the volume of output was below target and the labour hours were too high, then he would receive criticism.

"They [the shop floor] have spent about 100 hours rebuilding the boat and so when I tried to put the bill in because fabrications need paying for this, we were told we were getting £3.50 an hour for this work. At the end of the month, it would have been why are you down, why is plant ticket up ...

In this statement, Vic is highlighting the difficult role he has as Manufacturing manager whose official job is to oversee an efficient and effective manufacturing operation. However, from this it can be inferred that his unofficial role was to mediate and coordinate the through-put of work so as to keep two sets of customers happy - the family and the 'genuine' customers. However, according to Vic, the family only wanted to pay £3.50 an hour whereas the company could charge out (at

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that time) at double that figure. This meant that the factory was working at uncompetitive rates, it increased the 'plant ticket' and meant that any margin secured on expedient jobs was swallowed up by the costs incurred working on family projects.

Initially, I thought that this custom of putting the cost of the family's unofficial business or hobbies through the business was only undertaken by the second generation sons. But according to Vic, Fernie was also regularly putting things through the factory usually to do with his boat. Even though Fernie is now retired he still uses the administrative resource of the business to handle his personal business affairs. However, there is a difference in the way that Fernie's activities are talked about by his colleagues. People tended to argue that it was Fernie's right because *'he had made the company what it is... gave all these people jobs'* and therefore deserved to 'use' the company's resources in this way. Also, people proudly tell me how, in order to stop the company from going under, he invested some of his pension money.

The sons' behaviour was not regarded in the same way and it was felt that they were exploiting the company because they held the family name and that they had not contributed to the good of the business in any significant way. This is illustrated also by the two sons exit from the company where they took pay-outs from the company which the company could not afford. Also, in conversations with Lenny, there is no evidence that on taking over 100% share-holding that he brought any personal investment into the company in order to counter-balance the cost of the sell-out. Informally within the company, it is suggested that people know about this and it does not help to create good relationships between Lenny and the rest of the work force.

What is beginning to emerge is a broad view of the family members and how they are talked about by the non-family members. From the accounts, it is possible to see that Fernie has done his share of 'exploiting' the company but this is not criticised because he has everyone's respect and they are very conscious that without him they would not be in a job. On the other hand, the sons do not have the same respect as the father and they are referred to negatively and are seen as making unreasonable demands of the company which, it is strongly suggested, they have no right to do. Janice, the

receptionist, expresses her opinion of how she interprets what others say of Lenny the Chairman. This is followed by a comment from Lenny where he is making it explicit that he is very aware that his role as Chairman of Farnsworth Engineering stems from inheritance rather than from merit.

"There are a lot of people in this place that think that Lenny is not the right person to be running this business because he nit picks on things".

"This is where I am and whether I am respected for it or not I am here, I am here and am lucky because I am here by the fact that I am a family member rather than the fact of formal training and that I have earned the position I am in".

The importance of respect and the lack of it accredited to the Chairman is an issue which shapes many aspects of Farnsworth Engineering and is returned to later in this chapter. There are two further issues which can be examined at this point in the light of attitudes towards family members. The first relates to a 'them and us' culture which can be identified in almost all my conversations with people. The second issue relates more broadly to the values and attributes which are expressed as being admired and respected within the company and those which are expressed as intolerable. Firstly, the 'them and us' issues are discussed in the context of intra-organisational relationships.

Love-Hate Relationships

Throughout the accounts, it was possible to identify a particular way of speaking which reflected a consistent reference to senior managers as 'they'. Whilst it could be argued that this features in all organisations, the reference to 'others' in this firm was usually related to family members. Whilst, the above section has highlighted the respect which the founder of the company receives from his colleagues, at the same time there is still a sense of 'the other' which shapes and colours the ways in which

people talk about the family members and their activities. On the one hand people talk about how grateful they are to have a job in today's economic climate and how Fernie 'kept this company going', how 'it is not such a bad company' and 'the pay is not that bad'. On the other hand, more often than not people would (at worst) decry the family members and complain how difficult it is to satisfy or please **them**. For example, the Technical Manager, in referring to the previous General Manager who had been juggling the figures, suggests that the reason the man was doing this was his fear of admitting to Fernie and Lenny that the business was not going too well:

"he knew what was going on but he was too afraid to admit the truth that things were not going well. He was juggling the figures to show a profit........The way I see it is that we have got to have somebody but I also think that whoever it is will never be good enough for Lenny or Fernie..."

This view was also shared by the company receptionist:

"He was a really nice bloke, he fiddled the work in progress to make it look better than it really was purely because he was frightened to death of them, petrified of them so he just fiddled it".

This 'them and us' relationship is a complex one whereby, on the one hand, people appear to be very much in awe of Fernie in particular (Fernie's ferocious temper was alluded to earlier in the chapter). On the other hand people recognise how important it is to be liked by the senior family members. I try to highlight this complex relationship in the following comments made about family members. In talking about the need for the new General manager to be accepted, one managers emphasises the need to:

*"get the respect of the family [because] at the end of the day, he is only the GM, he is not the boss, so he has to keep **them** happy **down there** as well, which is a big thing*

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when it is a family run business. At the end of the day if he makes money it will be aright. If he does not then he won't be".

Other examples are:

*".........that is what **they** are like. They will never change"* (receptionist).

Also I spoke to Pete Jackson who had recently been promoted into a buying role to elaborate on how he had experienced, in his words, a 'culture change' as he took on his new role although he had remained located in the works office.

"Oh, well I was just one of the lads and always have been. I went in the shop and mucked around .. then all of a sudden they said will you do this job (buying)... over a few months I noticed that peoples attitudes toward me were changing".

DF "What do you mean their attitude was different"?

"I suddenly realised I had gone to the other side of the fence with a shirt and tie. I thought I was the same but I wasn't. I thought it would just be the same but it wasn't. I've got used to it now I don't mind... I know which ones I have to keep happy".

As the company is physically organised with the factory/shop floor on one side of the building and the management offices running along a corridor adjacent to the factory but separated by a long wall, I asked the Manufacturing Manager whether he felt that there is a separation from 'this side' to 'that side'. Vic's response is:

"It is not as bad as it used to be. Once you wear a tie, you are classed as management. I don't think that it is as bad as it used to be. Like Lenny will walk on the shop floor and talk to people, you could not do that in a large company. When you are this size you want it to run as smoothly as possible.

Yet, rather contradictorily, in another conversation Vic suggests that there is a distinction by saying that :

"I would hate to be sat in an office like say this side of the wall. I don't think that looking at a computer screen, adding a few more dots, pack and go home, it's nice to be involved in two sides of the fence. I think this is better than being on one side or another".

In referring to the 'two sides of the fence' Vic alludes to the difference between the factory side and the management side. However, in his role as Manufacturing Manager he conceives that he is 'neither one side nor another' and he can have a 'foot in each camp'. From the way in which Vic talks about his role within the company, the task this manager has in bridging and brokering between the 'two sides' is an onerous one in some respects and it is this aspect which he 'plays up' the most frequently. However, from another perspective, this role makes his position very powerful within the company in that he has access to information and 'resources' from each side which the other does not have and he exploits this position to full use. This is discussed in more detail later.

In summary, in spite of Fernie's claim that *"there is none of this barrier between them and us.. I don't stand on dignity"* and Lenny's claim that what makes a good business is:

".....umm a committed team, both managerial and workforce, you don't need an "us and them" situation, which we are trying.... I am sure we have got one but we are trying to minimise that",

It appears that there are many examples where the family and senior management are referred to as "them" suggesting that there is a barrier between senior management (in

this case family members) and the rest of the employees. However, in referring to 'them', it is not argued here that this is distinctive feature of family firms in particular, but that in practice this way of speaking is used to refer to senior management in general in all firms. It is possible to argue that this is inevitable to a certain extent in that the ways in which people make sense of their position and status is in relation to other roles and positions. But in this case where the senior managers and family members are the same group of people, the 'them' has a particular meaning. Within a small family firm, relationships are close and are characterised by multiplex ties (personal, social, work, friendship). On the one hand, the non-family members are grateful to the family for providing jobs and for keeping the firm together. On the other, non-family members love to hate, criticise and blame the family members for their human-ness or fallibility. This stems partly from the non-family members' recognition that they are very dependent upon 'keeping in' with family members to retain their jobs. In the case of this firm where the senior managers are also owners and managers of the business, the balance of power in the relationship between employees/senior management is greatly in favour of the senior management/owners - ie the family. It is possible to argue that in many families there are complex 'love-hate' relationships which are continuously being 'played out'. Within Farnsworth Engineering, it is possible to identify complex 'love-hate' relationships between the family and non-family members and furthermore, these relationships and the way they are made sense of significantly shapes people's orientation and approach to work.

The 'them and us' distinction inferred from the above analysis also accords with the view of relationships as analysed from the perspective of family members towards their non-family team. If the Chairman can say to me:

"not to be insulting to the people here but we do not have any particularly bright people here - including me, so we need to bring in people from outside",

then one way or another people in the organisation are going to 'pick up' on this and

this 'interpretation' is going to shape relationships in one way or another. Furthermore, these relationships and the way they are made sense of also shapes attitudes towards senior management or in this case family members. Thus, it could be argued that 'them and us' attitudes or 'love-hate' relationships are mutually reinforced by family and non-family members alike. The relationships feed off 'signs' and 'interpretations' which are implicitly and mutually worked through as people interact, negotiate and communicate with each other. So, on the one hand, family members are talked about by others in the company as being 'different' because of the way they argue they are 'treated' by family members/senior managements. On the other hand, employees see themselves as different (as working harder, as being paid less, as knowing more about the business) from family members. From the accounts and the ways in which people express their interpretations of different relationships, it can be argued that these 'interpretations' shape the way people are in interactions with each other. Furthermore, unless the perceptions are changed (ie one person surprises another by acting in a way which is not expected) then the interpretations are continually being reinforced. Also, knowledge and interpretations of past events also shapes interactions. In short, relationships as talked about with a 'them and us' language reflects a myriad of meanings and interpretations which are mutually reinforced. The next section examines further the processes through which relationships are worked through, aligned and reinforced.

The Family Business: Caring, Kicking and Control

Throughout the accounts, Farnsworth Fabrications can, in many ways, be identified as a caring employer and yet at the same time there are many examples where managers have talked about family members "kicking" some of the employees. This contrast between 'caring-kicking' aspects within the organisation are a useful way of analysing how relationships are 'worked out' within this family business.

On the caring side, there are fewer examples to comment on but there are some

incidents which, it can be argued reflect a 'softer' approach. For example the new General Manager, Darren, tells me about a case where he was about to sack someone. From duty Darren was informing Lenny, the Chairman, about this and Darren recalls the conversation:

Lenny: *"Shall I have a word with him?"* (ie the person to be sacked).

Darren: *"Why? There is no need"*

Chairman: *"because he will be upset, he has been here a long time"*

Darren: *"yes and how do you think having a chat with him will make him feel any better, what can you say to him?"*

Chairman *"oh yes I suppose so..."*

From this conversation, it is possible to infer that Lenny was aware of a sense of responsibility for the person who was being sacked and yet at the same time he was unsure about how to cope with this responsibility. His uncertainty is reflected in his dilemma as to whether to speak up for and protect the man who was about to be sacked or to support his General Manager's views on the subject. There are also other accounts where people have been supported through domestic problems and crises such as divorces. Within the company divorces are known as the 'Farnsworth syndrome' as so many people working there have experienced them. Other examples cited are cases when people are experiencing personal problems at which time Lenny tries to speak to them in his office. If people are off sick in the long term Lenny and Fernie tend to visit colleagues at home. Also, people have mentioned cases where Lenny has been concerned that someone is not very happy and how he tries to find out informally what the problem is. From these examples and also from a general atmosphere within the company, it is possible to infer that there is a general sense of

caring and well-being which is shared amongst employees but is 'guided' by the example set by Fernie and Lenny.

An alternative understanding of 'caring' can be reached if another perspective is considered. It is possible to argue that aspects of 'caring' which people talked of are more about issues of control. But in a small organisational context where the father-founder of the company is a strong character who dominates everything that happens there, caring can be seen from a more paternalistic perspective. From a paternalistic perspective, caring and control are closely associated and stem from a general concern with acting in the best interests of the company. From comments made about Fernie, it could be inferred that when he was the Chairman and striving for what he considered to be in the best interests of the company, caring and control were two sides of the same coin. I asked Lenny:

"Do you think control of the company has been important?"

His reply was: *"To my father definitely yes, he is someone that likes to be in control and that's how he wanted it".*

Also, according to the receptionist: *"Fernie used to control things a lot more. One day he shouted me in his office, he said there is a rumour going around and I want you to find out for me now where this bloody rumour is coming from. I did found out where it was coming from and he went straight to the person concerned and sorted it out".........He would even be bellowing in his office because I had not stirred his tea........... I mean you would not believe what he has been like.. he is not as bad now.. but when I first came here he was like God, he used to read everything that went out of this place and if there was one letter incorrectly spelt, he'd bring it into your office, sling it on your desk, get it right next time. I suppose you could say that he pursued everybody with vigour, anything that needed doing, needed doing now and to his satisfaction but it was never good enough... "*

Keeping tight control over the workforce, getting involved in all aspects of the business and fiercely managing people and providing strong, clear paternal leadership was the style of managing, which it can be inferred, the father introduced and legitimised as a good way of running a business. From what people say, this style of leadership meant that everyone knew where they stood and were continuously told what to do. 'Fernism' is the term commonly recognised by all in the company to refer to his dictatorial style. An example of a 'Fernism' is recalled by Percy Morris, (who has been on the shop floor for 25 years). In recalling how shocked he was when his son, a welder, who had been with the company for 5 years, was given a warning for accidentally breaking a lathe, Percy says he was appalled that *"they did not even acknowledge his notice. Nobody said anything "why are you leaving or anything......and he was a dam good worker"*.

However, when Percy is referring to 'they' he means Lenny and Darren, the new General Manager and excludes Fernie because he goes on to tell me that when Fernie heard about Percy's son leaving, although he was retired by this time *"....Fernie came round and said where is Simon, is he off poorly?"* Percy recalls how when he told Fernie this, Fernie was so shocked because he did not know and Fernie had said *"I wish I had known". We have never had that policy here before. I know where that has come from"*. He made it very clear he was not pleased and went on to the shop floor to make his displeasure well-known to everyone. In recalling this story, Percy is making explicit his expectation of Fernie to uphold his obligation towards his workforce - to care for them and treat them fairly. Implicitly, Percy is also lamenting Fernie's retirement and what he sees as the loss of some of the core values which Fernie brought to the company.

From this, it is possible to infer that this is Fernie's way of showing that he cares and values his workers and he would not have let Percy's son leave the company at least without a card and a drink at the pub. But, at the same time, in showing that he cares

about his team members in this way and intervening in things which displease him, it is possible to suggest that Fernie is implicitly reinforcing loyalty to him. In so doing, he places a wedge between the workers and the new senior management (Lenny and Darren) and paradoxically whilst his main concern is to promote the best interests of the firm, in reinforcing adherence to previous values he potentially inhibits possibilities for new values and ways of working to be introduced. From this analysis, it can be seen that Fernie has considerable control over his work force even though he is no longer running the business. The ties between him and his workforce are shaped by loyalty and respect for him and are enacted through autocratic control. Throughout the interviews, being shouted at and bossed around is accepted because 'Fernie knows best'; he is esteemed as knowing all aspects of the business and is tolerated because at least with this style of leadership 'you know where you stand'. These ties to the former owner are also shaped by fear of the man and a desire to be liked by him and to fit in.

From this analysis, it can be suggested that in many ways because of the loyalty Fernie attracts, Lenny finds it difficult to 'be his own man' and to adopt a different style of managing. On the one hand Lenny talks about the *"need for the team to be committed"* and how *"you need to reward the team and give them incentives and something to aim for"*. This is the way he says he would like to lead the company. But, in talking to him, he is aware at the same time that his style of leadership is unfamiliar and so he ends up having to resort to the methods used by his father in order to gain respect and get things done. So, it can be inferred from this that in trying to earn the respect of his team, Lenny has adopted similar ways to his father of trying to keep control and responding in a certain way when he sees things he doesn't like. Thus, in spite of not considering himself to be a "strong person", he does have occasions where he lapses into the father's style. He says *"I am sure there are instances where I am not strong enough and I should be more like my father"*. This 'Fernism' manifests itself from time to time. Most people accept that on certain days Lenny has his tantrums and starts to "kick" certain people in the organisation. On one

occasion, the new Managing Director was on the receiving end and this is how he recalls the 'kicking'

(The Chairman) *"was well out of order and I was so angry. I put my fist through the wall and the sound of it reverberated around the building. He had no right whatsoever. I had just been down to Fernie getting some new business and then he hauled me back in again. So I thought sod it and went home early that day. He came to see where I was and someone told him I had gone".*

The General Manager also told me that Lenny "kicks" Vic, the Manufacturing Manager fairly often. This is surprising given that Vic has been with the company for many years and his one of the most loyal employees. On one occasion, in talking about Vic his Manufacturing Manager, Lenny says:

"He has been here 26 years... but he realises that he is part of the decision-making process and he can make things happen and he is maybe accepting now that he is a valuable team member rather than someone to be told you will do this and that and this is coming to him because he has got an awful lot to offer".

Yet this espoused view of one of his most loyal members appears to contradict with what happens in practice. I never asked directly about these 'kicking's but they always 'appeared' in the conversation. For example, Vic tells me one day about one of these "kickings":

"It is like yesterday, Lenny came in and said have you got a minute. I said yes. He said look at that ball-truck (I had bought one for £4,000 from the guy down the road- prior to that the company was hiring one for £12,000 a year). Anyway so now I have got my own which meant that after the first 3 months it was paid for. But because it is a diesel and it smokes and it was stood in the shop, he complains - can't we do anything about that - not thinking about the saving it was making us. Then he gets me

outside and says I want you to tidy up this yard, it is a mess. Then he has a go about something else then he has a moan about the scaffolding. Then he says by the way you are parked in the wrong spot...."

Vic tells me that the yard was full of pallets which he had persuaded the major customer to lend them as a favour because Farnsworth had ran out of them. This meant that it saved Farnsworth having to buy some more for the time being. But according to Vic, *"the Chairman has these 'Fernisms', thinks that he is right, cannot see the cost savings, he only sees what he wants to see and he never apologises".*

The relationship between Lenny and the Vic, the Manufacturing Manager is a complex one. On closer analysis of the accounts, it can be suggested that part of the tension stems from Vic's knowledge of the industry and his understanding of the job 'inside out'. But also he was very close to Fernie. However, in spite of this closeness Vic has not been made a director. Although from comments made by Vic earlier in this chapter, Vic says he would not want to be in the 'electric chair'. On closer investigation however, it can be seen that he would like very much to be a director of Farnsworth and has been made promises.

Both Vic and Janice, his wife, tell me that since 1994 he has been promised a directorship but it has been postponed now three times. However, it is felt that Vic cannot be made a director without the new Managing Director being made one as well. But according to the receptionist, Janice, Lenny keeps putting this back until he is sure of the new Managing Director's success. This is one of those occurrences which are interpreted by people in the organisation and which are then stored away and given a label in this case - the Farnsworth Promise -which is used to refer to something (a promise, event, reward) that never materialises.

Another incident recalled by Tony Powell, the Technical Manager refers to his colleague who: *"left when he was 21 because they would not pay him enough to get a*

mortgage, they promised him but it did not materialise, so he moved some where else and then set up on his own". Over the years, other events, incidents and disappoints are also stored away in the same 'box' bearing the same label and whenever there is an opportunity to talk about the un-kept promises, the 'box is opened' and the memories of disappointments come flooding out.

Other incidents relate the time when Janice who was secretary to Fernie, later married Vic, the Manufacturing Manager, and Fernie/Lenny asked her to leave because they did not want husband and wife working together in the same company because they were concerned that she might pass on valuable information to one of their managers. So, Janice tells me *"they asked me to resign"* which she did. However, many years later she has returned to the company as a receptionist and hence I was able to interview her. She tells me of another incident in which she was appalled by Lennys' lack of trust in her husband.

Janice tells me of a time when Vic had been awarded a gold watch for his service of 25 years and Vic was called in to the office to choose his watch. He wanted to take them away to ask Janice but just at that point she came in to the office and he chose which of the two watches he wanted there and then and the other watch was sent off for engraving. The story goes that two months later Lenny rang Vic and accused him of not returning the watch he did not choose. This 'misunderstanding' was resolved by Fernie because Vic went to Fernie to complain how he had been insulted and Lenny accused Vic of 'taking in all the wrong way'.

Another incident which reflects how people are discouraged and kept in their place is illustrated by an example cited by Darren, the new General Manager of Sheet Metal referring to one of the other divisions new managers. This manager is in his late 20's and he wanted to do a Certificate in Management at the local business school. It has been agreed between Lenny and Darren that this manager can do the course because he has the potential to be a really good manager. Darren recounts how the company

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want him to stay and eventually take over another division but in the mean time Darren has persuaded Lenny that "*it is important to prove to him that he does not know as much as he thinks he knows about management and letting him do the Certificate in Management is a way of teaching him this*". From this, it can be inferred that this manager was being taught to 'learn his place' and that he should not get big ideas too soon.

Other examples relate to the more day to day aspects such as time-keeping so that although according to Vic, the Manufacturing Manger, "*not many of us take our lunch hours.........very few people work the allotted hours, most of them work more*", there are still many 'digs' concerning the hours people work.

"*It is like tonight Vic has got to leave at 4.30 (the hour he should leave) but if he goes at 4.30 and Lenny or Darren notice, tomorrow there will be a court of inquiry*" (Janice).

Janice also tells me about the time when one colleague was suffering from stress and chest pains and he left early to go to the doctors. On the way out a senior manager is reported to have said "*oh, are you going Dougie*". On another occasion, I observed as I was leaving the office at the same time as Darren, the General Manager at 5.55 pm (the office closes at 6.00) and he said to the receptionist "*you can leave early today*". Her expression indicated to me that she was not pleased.

The analysis so far suggests that relationships within the business are very complex. Contradictions and paradoxes constantly emerge when relationships are analysed. From one perspective, people are going to work and on a particular day they might get a good kicking. But the next minute they are having a 'good laugh' with their colleagues. So in order to make sense of the contradictions, it is suggested that the lows are counter-balanced with the highs or positive aspects of working in the company. As discussed above, the lows of the job are perceived to be the lack of

recognition, trust, mutual respect received from senior management and the way in which *"they are not very good at patting you on the back"* (Technical Manager). *So that: ".........it's sort of if things go well it is expected, then you don't hear from them.........."* Conversely a bad day is seen to be when you do hear from **them.**

In spite of the negative aspects which are talked of at great length by people, nonetheless, a keen sense of loyalty for the firm and a commitment to do anything which enhances the continued vitality of the company can be identified. Commitment to Farnsworth Engineering is reflected in the ways in which they define a good and bad day. A bad day is identified as a day when:

(laughing) *"when you have lost all the quotes you have been fighting to get and you are obviously going wrong out there and machines are breaking down left right and centre and you can't get people in and you've loads going out and you can't get vehicles and the customer is playing up"* (Manufacturing Manager).

A good day, as the following section illustrates, is associated with achieving success in a particular organisational task. A good day is when:

"when everything goes right, I get a few orders in and a thank you of somebody (laughs)" -Technical Manager

"was a big job that I got at £1000 a piece and when you see it going out of the door, the man [ie shop floor] has made his money, the company has made its profit, that's the supreme you know you have done a good job", (Manufacturing Manager).

Also, the Buyer tells me that he gets great enjoyment out of saving the company money. He buys components in from suppliers and enjoys getting on the phone and "being cheeky" by trying to get 3 or 4 pence off certain items. He recalls the story of the time when the company was competing to get a job with another local company

"it was make or break" on getting the components cheaper.. so he spent days *"having great fun, it was really brilliant because I really made some savings on certain items, that really sticks out...".*

He continues:

"I've worked loads of hours, it has never bothered me, if something needed doing, no matter what we had to do, we would do it. The people I work with were very conscientious about getting the work done for our benefit and also for Farnsworth's benefit because it brought more work in. We weren't these people where it got like to 6.00 and we are going home, we would be out till all hours, the longest shift was 28 hours, done them a few times, but it needed doing so we did not mind it."

Tony Powell, the Technical Manager also recalls his biggest success.

"The biggest was all done on my own [it] was a contract, a design job over 10 months, to equip factories in Russia with food processing equip. ....I must have impressed then with what I offered anyway we got the contract for 10 factories. Worth about £144,000, which was nice because in total, it all paid as well, the men all earnt a bonus on it and they paid us in 30 days etc., I got on well with the guys that work there, I even packed a lot of the stuff every month etc........."

Also on one occasion one colleague tells me about the time when the Contracts Manager wanted to take Thursday and Friday off work to make a long weekend. So in order to clear his work, he came in at 8.30 on the Wednesday and he did not go home until Thursday 5.00 am. Many other people recall incidents or times when they have put in many hours. The Buyer suggests that *"it must say something for the place. None of them really left or decided to look elsewhere to see if the grass is greener they have stayed and stuck it through".*

However, whilst clearly there is intense loyalty to the company which is reflected in

the way people contribute additional hours, attempt to achieve cost savings, and take pride in bringing in orders and so on, the image of a strong, loyal and committed team should not be over-emphasised. The next section examines this issue in more detail in terms of the construction of organisational networking patterns as they are talked about by the people who work in the company.

In summary, this chapter has been concerned with constructing an ethnography of life and work in a small, family business. In analysing the spoken words which express the way people in the company interpret and make sense of their jobs, it is possible to identify those processes and ways of organising which are distinctive to the company. Inter-woven within accounts about daily events and activities are stories about the family and its involvement with Farnsworth Engineering. Dominating talk and sense-making within the company is the legacy of past management and the turbulence, instability and uncertainty this has caused.

The ethnography began by introducing Fernie, the original owner-founder and father of the company and the way in which people make sense of his philosophy and style of managing. The analysis has shown how Fernie's personality and style of leadership pervades many aspects of the company's operations and how allegiances to him have formed over the years. The story then recounts how issues of succession dominated the company's activities for about five years from which the company is only just beginning to recover. In building up his business, Fernie had intended to secede the company to his three sons and the ethnography shows how the succession process failed and was used as an opportunity by two of the sons to leave the business at the crucial time when the business had evolved into a family business. This left one son in charge of the business when, a few years later, the father finally decided to retire.

Throughout the accounts, individuals report on the role of family members and how the sons have exploited their position within the company and in so doing created negative feelings towards the family. The story also recalls how many practices

which were introduced by the father were practised by his sons and still prevail to shape many relationships and activities up to the present day. The ethnography recalls how other non-family management failures, maturity within the steel fabrications market and recession combined to provide the company with its most difficult time. The decision to bring in 'professional management' and how this process of recruiting a suitable Managing Director unfolded over time is also discussed.

The task of the next chapter is to analyse the relationships in and around the organisation as they are spoken and made sense of by the people that work at Farnsworth Engineering. This concerns the organising processes through which organisational members make sense of their daily work activities.

CHAPTER 6:

ORGANISATIONAL NETWORKING PATTERNS: THE FARNSWORTH WAY

Formal v Informal Ways of Organising

A central argument of this thesis is that organisational structure can usefully be analysed as a map of complex relational networks. Traditionally in the study of networks, formal and informal networks are separated when analysed within the organisational context. One strand of the literature suggests that a structural influence on managers working in organisations is the formal network with which all organisational members are prescribed when they join a company. This suggests that in the study of organisational networking patterns prescribed or formal networks which are symbolised in the organisational chart exist in all organisations and are implicitly taken account of within managers' day to day interactions. However, a further strand of the network literature suggests that much of what occurs in organisations is only remotely related to the social exchanges prescribed by the formal organisational chart (Ibarra, 1992, 1993). I wanted to investigate the extent to which the organisational 'structure' as constructed by senior management and formalised in the organisational chart is talked about by those working in the company. In particular, the intention was to examine the processes that shape what people say and the importance of organisational networking patterns for shaping these processes. I, therefore, put the organisational chart in front of individuals at Farnsworth and began by asking managers to comment on the relevance to them of their 'formal' or prescribed organisational structure. These were the responses:

Manufacturing Manager "*it would be alright if it worked... nobody knows where they are*"

Quality Manager "*it is important from the quality inspection perspective, even if it is not stuck to in practice.. it provides a skeleton but with Farnsworth the informal works better but it would not so everywhere, the culture of Farnsworth helps the company to*

change but they need to be told consistently over and over again. In terms of quality it is good to be flexible".

Technical Manager *"I don't take any notice... I know where I am... because it is a small company... we all wear different hats and do each other's jobs.."*

Sales Manager: *"It has "no great bearing on what we do... nobody uses it".*

Managing Director: *"I am not too worried about the organisation structure because I need the flexibility. It is like job descriptions, I don't like them to have a tightly defined job description because I need them to be flexible... they have a brief outline of the main tasks which they construct but this is updated and re-evaluated every year. I need this because in a small company you don't want them referring to their job description every time you ask them to do something"*

From these comments, the analysis of networking patterns according to formal organisational structures is not particularly meaningful in the context of this small firm. In many ways this is not surprising given that formal structures in all organisations large and small are often ineffective or inefficient for getting things done in organisations. Knoke (1990:92) argues that the formal arrangement of roles and positions has only a limited value for understanding what goes on in organisations and that in order to perform their jobs, meet tight deadlines, get information, and make sense of their day to day activities, managers discover the best people for helping them access these resources. He goes on to suggest that:

"These emergent systems of activity crosscut formal lines of authority and communication, creating new structural relationships that account for decisions, outputs, failures and transformations that cannot be explained solely by reference to formal designs" (Knoke:1990:93).

Thus, informal networking patterns which cut across formal lines are a more meaningful indicator of the ways things get done. In effect, it is possible to suggest that it is the

informal networking patterns which not only facilitate communication, resource exchange and help managers to do their job better but they are also *"the sound basis through which to get through the week"* (Sales Engineer). Furthermore, as articulated by the Manufacturing Manager:

"when you've got these men underneath you, they haven't just got the problems of manufacture, they've got their own problems/lives, so they are round at your house asking questions about buying houses, give me a reference for that, if they run in trouble with the police, you have got all that to handle".

Also, the Technical Manager suggests that:

"in a small company you do not really stick to rules as such, you just have to be a bit friendly, more cooperative... it is not like in a large company where there are things laid down about the way you do things, about the way you are supposed to attack a job, there are certain things you have to do like the work in progress, but how you achieve the end result is up to you... but you achieve this without treading on anyone's toes".

So a more relevant question for investigating networking patterns is to avoid the formal/informal conceptualisation and instead examine the ways in which individual managers interpret, manoeuvre, negotiate <u>within</u> the internal organisational network. By investigating the ways in which managers construct relationships and talk about each other in the context of daily events, activities and interactions, a more meaningful understanding of networking patterns is achieved.

Attributes, Attachments and Dissolutions

This section introduces the characters in this case study based on my interpretation of the ways in which people in the company described their colleagues. From talking to people, it can be seen that people were highly influenced by the reputation of their colleagues and this seemed to matter a great deal to them. For example, when asked to look at the organisation chart in general people did not talk about formal job roles, but

instead they described people from the point of view of their personality, attributes and likeability. They would point to someone (on the chart) and say things like *"well he's a pratt"* or *"he is a nice guy"* etc. Here are some examples.

About the Chairman Lenny Farnsworth - or "Big Boss"

i. *"I don't think engineering is his thing. He is not a really a grubby hands person".*

ii. *"... they haven't got an ounce of respect for Lenny".*

iii. *"He needs to stand up to his father... he will be better when his father is not around any more".*

iv. *"He is a good chairman when his father is not breathing down his neck. He could show more appreciation".*

About the new General Manager Darren or - "Mighty Mouse " (to be discussed in greater detail in chapter seven).

i. *"he is never with us...... "*

ii. *"he goes into the Works Office but he has never actually got to know any of us.... "*

iii. *"he is the nicest GM we have ever had but it does not seem as if he knows anything.."*

iv. *"if he did leave it would be a shame because he does get on with people and he is prepared to talk to people... "*

v. *"people just see him as another one night wonder. "*

vi. *"He is visionary - he has good ideas but has a difficult job"*

vii. "He does not appreciate people"

About the Vic Woodhouse - Manufacturing Manager

i. "I like Vic because of things that have happened but Vic can be a bit two faced at times. But his heart is in the right place. He has a lot of say because he is so easy going with the lads but I would say he does not do enough.

ii: "He is a bit scary at first... but really a big pussy cat...........

iii. "well he is Farnsworth".

About the Technical Manager - Tony Powell

i. "brain dead, given up.."
ii. "he's a nice bloke...."
iii. "he's in another world"

About John Gardner - the Administrator

i. "just a secretary.. I don't know why he is on the (organisational) chart really..."
ii. " he is a tosser...he winds people up..."
iii. " don't like him......"
iv. " other people have a problem with him but he is always ok with me".

About Dougie Ball - the Contracts Manager

i "talks a lot... waffles.."
ii. " takes half an hour to say something everyone else would say in 1 minute...."
iii. "boring..."
iv. "if he spent as much time doing his job as he does talking about it, he might be more

efficient".

About Pete Jackson (Buyer now Sales Engineer)

i. *"he's a good laugh... "*

ii. *"he's been here a long time (13 years)...."*

iii.*"he's easy going".*

About Gadgett (the Quality Manager)

i. *"a quiet bloke but good at his job, needs pushing.. "*

ii. *"goes around in a daze.... I think of him as the mad scientist.."*

iii. *"he reads a lot... he is just here...."*

About Laura Mitchell - Assistant Buyer

i. *"works hard but she is young..."*

ii. *"she was thrown into that job with no training.."*

iii. *"it is too much for her... she is stroppy..."*

iv. *"she and Gadgett do not get on... also she and Mike Thorpe don't get on..."*

v. *"she has temper tantrums..."*

About Mike Thorpe - Buyer

i. *"just waiting for retirement..."*

ii. *"he is whiling away his days...*

iii. *"he is here under false pretences...he is grumpy"*

About Martin - the Sales Manager

i. *"bolshy... used to take short cuts......."*

ii. *"would never admit he is wrong... "*

iii. "he is a disruptive influence on the company...gets peoples backs up......

iv. "he laughs at you if he sees you have made a mistake..."

v. "he is busy too building his own empire..."

vi. "he made the atmosphere bad...bombastic...

About Jack Wilson - Production Controller

i.   "thinks he is superior... "

ii. "gets on well with MD...."

iii. "he is still learning... needs grooming"

About Josh Blackthorne - Projects Manager (Heavy Engineering)

i.   "... easy going.."

ii. "very knowledgeable.... nice guy....."

iii. "knows a lot about the industry"

The important implication of analysing the reputation of people in the organisation is that this alludes to who is **in** or **out** of the organisational network. From the above comments concerning the reputation each organisational members holds, it can be noted that certain people are in or out according to whether they are liked, their personality style and the way they interact with colleagues. From this short introduction of the characters in the case study, it is possible to identify what sort of person gets on (or not) in the company. Two members of the company are emerging as unpopular. Whilst this may seem unimportant and probably typical of a lot of companies, it is suggested that in the context of this small, family firm, this aspect is an important indicator of how things get done within the company and the role that networking patterns play in that process.

From the discussion so far, it is possible to see that certain characteristics or attributes are seen unfavourably and are not valued in the company - attitudes of superiority, cleverness, people who do not work as part of a team and people who are 'too big for their shoes'. But, in order for organisational members to recognise and learn those

attributes and characteristics which are not favoured, they must also have a good understanding of which attributes are spoken of favourably. The attributes which are spoken of unfavourably are formulated and shaped by a shared understanding of what attributes are favoured within the organisation. Also, it is possible to argue that the intensity of attachments between certain individuals are, to a great extent, shaped by involvement in and interpretations of past events such as the role of family members, managerial changes and so on.

The next section investigates in more detail how people speak of the attachments that have been formed and dissolved within the company. The first part attempts to examine those attributes which are spoken of unfavourably within the organisation. This is done with a view to identifying those attributes which are favoured and highly esteemed by colleagues. This section is structured in this way so that when people are talking about each other, past events and ways of working that they do not like, it is possible to construct an understanding of those values, attributes and ways of working which are more favoured. The distinctiveness of this analysis is that in following this approach it is possible to understand networking patterns as they are talked about by those involved in forming relationships. Also, it is possible to develop an understanding of how certain expressions are shared within the small, family business and the ways in which these shared understandings influence how people work together and how they make sense of and talk about their interactions with each other.

Working Together the Farnsworth Way

However, the responses which are displayed below did not emerge from direct questioning about who gets on (or not) in the company. In fact, in response to direct questions about "what type of person gets on here"?, many colleagues (including the Chairman) said that they had no idea. However, in talking about other issues, it is possible to identify those attributes which are deemed unfavourable within the company. Certain attributes are so strongly disliked by organisational members that it has led to the dismissal of individuals from the company. This applies to all levels of the company from senior management (as seen from the earlier account of management changes) to

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men on the shop floor where the dismissal procedure as been instigated because a person is seen as not fitting in or as having "an attitude problem". The Sales Engineer refers to a colleague who was dismissed.

"We had a chappy work in the offices, nobody liked him because he was "I am" and in the end he got finished".

There is a further instance of a welder being fired because he got himself into trouble and according to the Buyer nobody would help him out:

"we have just had someone working here who is a welder, a brilliant welder, but he knew it and he was so far up there because he knew he was good, he thought he was above everyone else, and you can see where he has finished up. Now we have got welders here that are good, that are on the same level as everyone else, in regard to attitude and how they are.. and people will help each other. But they would not help that welder".

This view is reinforced by the Manufacturing Manager who, in speaking about how important it is for people to fit in, makes explicit his views that: *"if they don't fit in on the shop floor, the natural razor on them will get them out"*. From this it can be inferred that implicitly he supports the practice of 'getting them out'. He sums up:

"You have to be strange person to work here, not too clever but they have to work together -the Farnsworth way is working together".

What Vic is stressing is the importance of working together for those who are recognised as 'fitting in', implying that you are likely to be pushed out if not. Moreover, this is a practice which occurs at all levels of the organisation. It has happened many times on the shop floor but it also happens at the managerial level and also at the level of Managing Director. At the junior management level, the process through which organisational members recall pushing out 'undesirables' is usually through setting people up. For example, Bill Taylor from the shop floor recounts to me how he had

interviewed and recruited someone for a store-man job:

"He was not very popular. He was a bit of a creep running the Chairman around and about when he wanted to go out for a drink, he would chauffeur and all that. But the way they got rid of him was bad. I mean, they gave him the buyer job [responsible for sourcing all the components], they made the job impossible for him and then sacked him because he could not do it. It is funny but when he went Pete Jackson [who is good friends with Manufacturing Manager] finished up doing his job which we had seen coming. And at the same time, they bring someone else in to do half the job. Poor old John had to do all that himself and they got rid of him. He wanted someone to help him. I mean it was down to personalities out there [works office] more than in here [shop floor] because he got on well with the Chairman, he used to go golfing with him..............I think he was set up. It sounds real bitchy, I don't like it really. But it is fact, this is what happened. I think they ganged up on him.... he was on holiday and I think they told him while he was off.

In order to cross check this information, I asked the receptionist: *"what happened to that bloke in the buying office who got the sack"?* She tells me:

"He got the sack... again they got him all worked up and he was on the verge of having a nervous breakdown, he was off work for a long time and then he came back and he could not get his figures right, so they said that's it."

Learning your Place

Reflecting on this practice I began to wonder whether this way of working was connected in part to the legacy of the past and stemmed from the paternalistic style of the original founder of the company. From my perspective, fitting in and not over-stepping my mark were issues which I felt and struggled with every time I went to the company (see chapter 4 for more of this). I learned that I should not mention the PhD or that I was a Lecturer because of a concern with people alienating me. I was constantly aware of not appearing to be too clever, not using words that I thought they would not

understand and always playing down my job. I was very aware that I was dependent on these people in the company and knew instinctively that I had to fit in with them. A comment by the Technical Manager early on in my visits to the company reinforced what I had intuitively felt:

DF: *"What happens if you tread on people's toes?"*

"Well if you do that and try and get some cooperation from this person again, you will just get it thrown back at you. So there has to be give and take and don't push people too hard because they will push you back and it won't be long before you are out on your neck".

In attempting to make sense of this issue, on another occasion I was talking to Fernie about my experience of *"finding it difficult to come in to the firm as an outsider"*. His response to me was *"well you have to learn your place"*. Also, in talking about Fernie, the Technical Manager tells me *"he has a very intimidating personality, very wary of newcomers, he does not like smart arses as he calls them"*. It is not surprising therefore that if the tone and language of the original owner is that "you have to learn your place" then in a sense this suggests that legitimacy is given to the alienation of those individuals who were seen as not learning their place. This attitude towards people conceived as 'undesirable' was further highlighted by Lenny, the current chairman, in speaking about his wish that he had brought in 'professional' managers earlier:

"I remember that I had a discussion with my elder brother and father at the time and I was talking about bringing in graduates and the response was that we don't want people who are cleverer then we are running the business".

The analysis so far suggests that 'having to learn your place' has become accepted as an unwritten code of practice. Moreover, the accounts suggest that this unwritten code has become institutionalised in the practice of hiring and firing. Although it is not formally sanctioned, if someone is not fitting in or shaping up in a way that is conceived by other colleagues as 'acceptable' then, from what people say, everything possible is done to get

that person out - usually with the motive of putting one of their friends into that position. There is no evidence of the Chairman objecting to this practice and so it is possible to infer that in many cases such activity takes place with the unspoken consent of the chairman. From this, it can be inferred that by not objecting to such behaviour, this unspoken consent was interpreted by company members as a legitimisation of such a practice. Furthermore, informal ways of working in the company also facilitate the working of such a practice in that the works office members could engineer such behaviour. This practice of hiring and firing was brought up by Lenny in a later interview. Unprompted by me and in referring to his father's style of managing he said:

"I listen to what he has to say, we do have some very different views on things like you can't just hire and fire and do this and do that....."

From this comment, I inferred that this practice of encouraging people to fit in was a tradition of the past, until I arrived one Tuesday to find that two of the three people pointed out in my interviews on organisational structure as being liked the least for reasons presented in table (6) below, had been given a 'good kicking' or final warning to "shape up or you are out" (to quote the Managing Director). I was told by the receptionist that three members of staff (Dougie Ball, John Gardner and Tony Powell) had been told that they are under a 6-month review. The official reasons which were being cited were that these managers are not performing to the criteria laid down in the appraisal documentation.

However, in talking to Darren, the General Manager, later in the day, he tells me the 'unofficial' reasons why they have received a warning. Firstly, he considers that Dougie his Contracts Manager *"spends too much time talking about how much work he has got rather than the work he does and he cannot possibly be suffering from stress as he claims"*. Although he does have a doctors note in order to justify taking 3-weeks off work, the M.D. tells me that he is not convinced about his commitment. In fact the M.D. tells me that since this person's return from sickness, he thinks he is taking some kind of tranquilisers because *"he is floating around in another world"* and has taken legal advice on how to deal with this. Secondly, the Administrator also received a

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warning. Although he did not receive a warning this time, according to Darren, Tony Powell, the Technical Manager, is not 'performing' and he wants to prevent this manager from thinking that he can go on *"floating for ever"* so he used the appraisal to get this message across.

During this round of appraisals the real surprise that everyone was talking about was that the most disliked person, Martin, the Sales Manager (described as bombastic and having a bad attitude), did not receive a warning. I am told by many people how, a few days earlier, Martin had caused a real raucous in the company but in spite of this was not only still in a job but he had not received a warning. This was interpreted as highly suspicious by Martin's colleagues and they were all speculating why Martin, who to them was so obviously destructive, did not receive a warning. This episode is recalled by Vic, the Manufacturing Manager:

".. you know Martin he tries to run 'Martin Shaw Industries' which means he gets a job [an order] because he is the rep. But what he was doing was going out repping, getting the job, coming in the shop, organising a bunch of men to do the job, it did not matter about any job going through, sod that, he put in his little order and went back to his office. Anyway when you get all of them doing this, the blokes did not have a clue who they are working for.... so I lost my temper which I have not done for years but he just wound me up to such an extent".

It is important to view this action within a particular context. Within the company it often happens that a big order from one customer may result in lots of smaller, spin-off orders. However, the unwritten policy in the company is that once the rep has got the first order with a major customer he gets the commission. But then any spin-off orders should just go straight into the office and be dealt with through the office meaning that Martin would only be entitled to the commission on the first order. However, according to the General Manager and Manufacturing Manager, Martin did not like this unwritten policy and said that if he was not going to be given the commission for additional jobs then he would not do any more work. The Manufacturing Manger tells me his version of the raucous which took place in the works office:

"Martin would not budge. He said I am on holiday next week and you will have to manage. So Darren said I don't want you quoting for any more work after you have brought in the first order. Then Martin shouted to Darren "then you can have my notice". To which Darren shouted back down the corridor "if you mean it, then I'll have your fucking notice today".

But Martin did not hand his notice in and he did not get the warning for his behaviour which the Manufacturing Manager thought he should get:

"He was the worst offender of them all. He should have got a severe doing over that but he didn't. I told Darren that he [Martin] wants a warning over that be he didn't". The week before, Gadget [the Quality Manager] went in to see Martin and they ended up having a scrap in the office. The new lad had never seen anything like it".

The explanation of why Martin had not received a warning emerged in an interview later that day with Darren the M.D. Darren tells me that he realises that Martin is a 'disruptive influence'. But his strategy is to watch Martin's "little games" for now. He knew that Martin had been 'working on' the main customer, trying to win them over in order to build up his power base and bargaining power at Farnsworth. Martin wants to be put back onto the main contract with the big customer, a job which holds the same money with less responsibility, but the M.D. will not allow this to happen and he now feels that he has Martin "where he wants him".

All of this took place during May and on returning to the company in August, I find that both Martin and Tony Powell, the Technical Manager, have left the company of their own accord and have found jobs elsewhere. But, the inference which can be made about how the appraisals were being used to give warnings is that the historical legacy of engineering someone's dismissal is still an acceptable practice within the business. However, this time it is being practised by the new M.D. This interpretation of the action of Darren (the M.D.) accords with something he said to me on another occasion. When we were discussing the departure of Martin, Darren tells me he had been

"working on that one for a while", implying he had been setting the whole thing up for a long time. He informs me that after the raucous, Martin had apologised the next day but after that he knew he had lost any further chances of improving his lot. At this point, according to Darren, Martin's strategy was to start building allies inside the company *"trying to get the sympathy vote - the boss is out to get me"* but this did not 'wash' with the other staff and when the General Manager started to talk to him about what new company car he should have in the new financial year (this was a subtle bluff to counter his sympathy claims), then Martin knew his days were numbered. He left to go to a competitor firm. His biggest concern, Darren tells me, was whether Martin would try to take the big contract with the main customer, which he had brought with him in the beginning when he had joined the company. So Darren boasts how he 'stitched' this by telling the large customer that this rep (Martin) had been "doing them" for a long time and by staying with Farnsworth it would save them money. They stayed.

So the disruptive element leaves the company due, if the General Manager's claim is accepted, as a result of some clever manipulation and setting up on his part. In some ways Darren's strategy could be seen as a way of asserting his authority and enhancing his leadership position and status within the company - a sort of 'don't mess with me or else' type of message being sent out to the other members of the organisation. Whilst from what people say they were glad to see Martin go, at the same time, they were suspicious of the General Manager's subtle style of working and they suspected that all the 'old' Farnsworth people were going to be gradually replaced by people more acceptable to Darren.

From this analysis, this suggest that the unwritten practice of dismissing people continues in spite of the espoused visionary change management talked about by the Chairman and his new 'professional manager'. Also, the practice of 'setting people up' to fall still continues. In talking about the promotion of Pete Jackson (from Buyer) into the position of Sales Engineer to fill the shoes of the departing Martin, the Manufacturing Manager articulates his fears about his good friend:

"I think Pete has been set up by Darren. He has been promoted into the position of

Sales Engineer which is a difficult job, with no training, only promises of training. I think he has been set up to fail at which point they will get rid of him. I have had a quiet word with him to tell him".

Pete, however, is in a more favourable position because he is well spoken of by the lads and he is also best friends with the Manufacturing Manager. The chances of him being set up are fewer because he has Vic watching out for him. In describing Pete, colleagues mention many of the attributes which are highly regarded within the company. These attributes were identified from conversations with people when they were talking about happenings and events within the organisation and when they were describing 'who was who' within the company. They are highlighted in the table below but can be summarised by describing the personality of Pete as he is talked about by his colleagues. First and foremost, Pete has a sense of humour and sense of fun and he is always playing tricks on people. He is helpful and pleasant. He has also worked his way up from the shop floor. He has worked for Farnsworth for many years and has earned the respect of the lads. He shares an office with 4 of his colleagues and can still be nice under pressure. He has also been through a divorce. But more than anything else he has the respect of the lads.

The Importance of Mutual Respect

One of the most important attributes which came through in interviews over and over again was the issue of respect and the importance of giving and achieving respect from peers. Here are some examples:

"everyone has a lot of respect for Fernie but not an ounce of respect for Lenny." (receptionist);

In another conversation *"they all have a lot of respect for Vic and will do anything for him";*

From the Shop floor - *"well I certainly have a lot more respect for Fernie than..."*

"because all the lads have got a bit of respect for each other. We all nag each other, we all get stressed out with each other but on the whole everybody respects what we have to do" (Pete Jackson);

"The previous incumbents did not have a clue about communication and so the lads have lost respect for management" (Darren) and in another conversation in response to a question on "what is your basis philosophy on managing", there was a laugh and a long pause, the response was... *"difficult but if it was to be squeezed into 2 words, it would be mutual respect. There is not enough mutual respect around this place"*;

This is surprising coming from the M.D. in that he has not been with the company long and yet he has already 'picked up' on some of the language of his peers about the importance of respect. A further example is illustrated by Technical Manager in talking about a previous Director: *"he was a good ambassador, good old charmer.. and got on well with everyone.. everyone respected him"* and in a later conversation about when he joined the company *"I started to gain their respect"*.

The importance of 'mutual respect' is also reflected in discussions of those individuals who had been dismissed. This was particularly so in instances where people are conceived as not showing and winning respect. One person had been an estimator in the company and had been promoted to General Manager:

" we gave him 3 weeks.... in his third week he went because nobody had any respect for him and he had climbed up on the back of Colin and pushed himself to the top that way, but really he had not got a lot of skill as regards engineering design, just worked his way up, everybody hated him for that, so within 3 weeks he had gone, because people were so against him and they made it plain that they did not like him, nobody had any respect" (Tony Powell, Technical Manager).

The following table (6) highlights the attributes most favoured and disliked within the company.

Table 6: **Favourable and Unfavourable Attributes spoken of in Farnsworth Engineering**

ATTRIBUTES SPOKEN OF FAVOURABLY	ATTRIBUTES SPOKEN OF UNFAVOURABLY
he is a pussy cat	he has a bad attitude
he has a good method of working	he orders people about
he has a good memory	he is creepy
he makes my job easy	he is nosey
he is knowledgeable about fabrications	he tells tales
we both went through divorce	he looks down his nose
we are soul mates	he thinks he is superior
we shared an office	he waffles
we talk a similar language	he is always critical
sense of humour	he is a bully
easy going	he will 'steamroller' people
he is nice under pressure	he will take short cuts
always has time for you	he is disruptive
he shows respect	he is an ass-hole
	he makes mistakes but does not admit them or accept blame
	he is not helpful

From this table citing attributes which are spoken of favourably and unfavourably, it can be inferred that power, status and getting on in the company is equated with the gaining the 'respect of the lads'. Respect is earned by 'mucking in', cooperating and helping each other achieve deadlines and finish jobs. Respect is also earned when someone is knowledgeable about the job and the industry and when they do not boast and brag about this knowledge.

Knoke (1990) argues that it is important to identify those inter-organisational relations which have power as the dominant governing feature in that this provides for an understanding of the processes of bargaining, coalitions which occur in the course of organisational life. Conversely, it is also possible to argue that by analysing interactions and bargaining or negotiation processes through the way people speak of daily events is also a way of identifying aspects of power within the organisational context. As we are seeing in the case of Farnsworth Engineering aspects of power can emerge and are 'worked out' through a number of different processes. The next section continues to construct a view of networking patterns within this small family business by focusing on the way in which individuals speak of manoeuvring, negotiating and constructing relations with others in and around the firm.

Personal Networking Patterns

One issue which is often discussed in network studies relates to aspects of centrality concerning how certain focal individuals are within the organisation. This is an issue of particular interest given that within a family business (as was identified in chapter five) one might expect family relationships and interests to shape organising processes to a great extent. However, in asking the question "are there certain people that are more powerful than others in the company", every response cited the same person - and this person was not a family member. All the responses indicated that Vic Woodhouse is the most powerful person in the company and they also indicate why:

"Vic should have to a degree... he is held back by the General Manger... he is the most respected... he does more for the company but is not given the credit for it.."

(Receptionist);

"Vic has a lot of influence on the workforce... he has been here a long time.... has respect on the shop floor and works office" (Quality Manager);

"Vic has [more power] possibly more than General Manager because he has been here a long time.. knows the people... knows the job" (Buyer);

"Vic, because he can get things done.... he has influence with people who own the company" (Bill Taylor from shop floor);

"he [Vic] has been here so long... can do anything..... has worked on the shop floor and has the respect of the blokes" (Technical Manager).

Also, in briefing his new General Manager, Lenny (the Chairman of the Group of companies) tells me how he told Darren:

"I told him [Darren] right from the beginning .... that if he wants to earn the respect of everybody and get things done, he has to get Vic on his side and get Vic to put it over because people know Vic, he has been here 27 years and people trust him.. The General Manager has not been here long enough for people to trust him"

The comments made by individuals concerning who is powerful in the company are also echoed by the Chairman. From this, it can be inferred that even though he is owner and the most senior manager of the company, he is aware that when it comes down to getting things done, his Manufacturing Manager is cited as being the most powerful and central person within the company. In addition, from the above comments it is possible to see that power, as it is spoken of, is equated not only with mutual respect but also with length of service within the company. This importance of length of service is made more prominent in noting the Chairman's comment that the new Managing Director, who has been with the company for 16 months, is not considered as having been with the company long enough for people to trust him. Also, knowledge of the job/industry,

having influence with the family members, being able to make things happen and getting things done are competencies attributed to Vic. These attributes are also favourably reflected in table (6) above. Finally, the issue of respect is frequently cited and is clearly inter-mingled with ability to trust, rely upon and get results.

The centrality of Vic's position within the company is further reinforced when communications patterns are analysed. In figure (2) below, the communication patterns identified by individuals are mapped. Respondents were asked who they turn to at work when they have the following needs: personal problems; to make a complaint; to have a moan; made a mistake and when they have a work query. The responses are mapped with arrows indicating the direction of the ties between individuals. What this map highlights is the complexity of ties which people have with each other. The map also identifies Vic Woodhouse as the most central person in terms of providing peer support across a number of areas (personal, work, moan, mistake). However, it is interesting to note that individuals did not cite Vic as the person they turn to to complain. Darren, Lenny or Fernie were cited more here. A close tie is indicated on the map where there are a number of ties between two or more people where the arrows go in both directions reflecting mutuality and shared dependence. Close ties can be identified between Pete-Vic; Gadgett-Vic; Jack-Vic; placement student and Pete; There is also a link between close ties and alliances because when asked whether there are any alliances or cliques within the company, respondents identified alliances between Vic Woodhouse-Pete Jackson-Rick Davidson (Rick is not shown on the map because he was not interviewed for this purpose) and a further one between Darren-Jack Wilson. It is clear from the analysis that cliques and alliances within the company are shaped by strong friendship ties which are mixed with work ties.

In the case of the clique between Vic, Pete and Rick, these individuals have been working together for a number of years and have become friends and as they tell me they *"have a good laugh", "share the same background", "we work hard and have been through a lot together"*. Also comments made by Pete, Vic and Rick have emphasised the collective importance of helping each other out. Friendship and closeness is also reflected in shared experiences such as divorces and death of parents.

However, the clique between Jack Wilson (the production controller) and the General Manger has grown as a result of shared interests in specific work tasks. In this case, the shared interests relate to the introduction and implementation of a computer system for the company. It is reported that only Darren and Jack understand the details of the new system and other people in the company report this working relationship as a growing alliance. Another factor encouraging this view is that Jack is Darren's first 'managerial' recruit implying that Jack is part of the new change process being implemented by Darren and is not therefore seen as being 'one of the lads'. Although Jack has only been with the company for a few months, a few comments were made such as: *"he needs to develop better relations with the shop floor... he is not liked because he is young has a degree and knows what he is talking about"*, which suggests that Jack is being spoken of as someone that does not fit in at Farnsworth Engineering.

It is interesting to note also the number of friendships that were cited between organisational members at all levels. Table (7) illustrates the personal network contacts that individuals spoke of in response to a short face to face questionnaire that I conducted with them. From the questionnaire, I attempted to ascertain the extent of the personal networks of organisational members. In particular, the intention was to examine whether personal networks were wide and extensive or were narrower emphasising fewer linkages which were possibly more locally-based but were intensive in terms of encompassing a number of ties. The network literature (op.cit) suggests that the extensiveness and intensity of the personal networks constructed by organisational members is a useful indicator of the ability of firms to manage growth, undertake transition, internationalise or develop the business in some way. Within the network literature, it is also suggested that diversity and density in the range of network contacts

Table 7 FARNSWORTH ENGINEERING PERSONAL
NETWORKING PATTERNS

	Close Friends	Good Friends	Friends	Comments
DOUGIE BALL	**2 (1 Work, 1 other)** Friendship Support Ideas Role model Information	**6 local** Friendship Support Ideas Information Role Model	**12 local** Friendship Ideas Information Support Role Model	More emphas on close and trusted frien
JACK WILSON	**6 international** (2 work, 1 previous work, 3 other) Support Friendship Ideas Role Model	**20 UK** (6 work, 6 previous work, 4 local firms, 2 other) Support Friendship Information Ideas	**50 UK** Friendship Information Ideas Role Model	NW importan and invests time
DARREN CRAVEN	**2 local** (1 previous job, 1 other) Support/advice Friendship Information Ideas Role Model	**20 local** (10 previous job 10 other) Friendship Support/advice Ideas Information Role Model	**75 international** (previous job, social)	Does not do business with anyone he do not like & wl he did not tru Does not kee 'instrumental ties' Values perso NW but does not invest in
VIC WOODHOUSE	**3 local** - all in Farnsworth Role Model Equally information Ideas Advice Friendship	**3 local** -all belong to local firms of which 2 = competitors Friendship Advice Support Information Ideas Role Model	**20 local** (10 local firms, 5 competitor, 5 customers) Advice Ideas * Friendship Role model not mentioned	PN importan would not ha instrumental linkages "would blow them out and would not ke in touch with any he did no trust"
LENNY FARNSWORTH	**6 UK and Local** (school, leisure) Friendship Support/advice Information/Ideas Role Model	**10 UK** (work, local firms, leisure) Information/ideas Friendship/support Role Model		Has 10 instrumental linkages with people he do not like but who he think will be usefu
MIKE GADGETT	**1 local** (school) Friendship Support Ideas Information Role Model	**6 local** (2 in Farnsworth, 4 leisure) Friendship Support Ideas Information Role Model	**20** Information Friendship Ideas Support Role Model	
PETE JACKSON	**5** (2 Farnsworth, 1 local firm, 2 leisure) Trust (confidence can talk to them about anything)	**15-20** (work, leisure)		

facilitates access to much needed market information (Butler & Hansen etc). Respondents were asked to prioritise the importance to them of certain aspects which they expect from their personal network contacts. They were asked to choose between friendship, support/advice, information, ideas and role model.

Table (7) highlights that, with the exception of the General Manager who has worked abroad for many years, most individual managers' personal networks are locally based. This is particularly the case (and is not surprising) when analysing the location of close friends. Many close friends were cited as having been formulated from work including current and previous employment. For example, when asked about close friends in their total network (both in and outside the firm), Vic Woodhouse indicated that he has three close friends in total, all three of whom are in Farnsworth Engineering. Interestingly, he cites 'role model' as being the most important aspect of his close friendships. This would accord with other comments he makes through the accounts about the need for mutual respect and having friends he can look up to. Of Vic's three good friends, all of them belong to local firms of which two are competitors to Farnsworth. Also, of his further twenty friends, ten are based in local firms, five are based in competitor firms and five work for Farnsworth's main customers. From the people he cites only as friends, role model becomes the least important and instead information is cited as the most important feature, with advice/support and ideas equally second. Neither friendship nor role model were rated as important when discussing friendships.

Also, Vic, contrasting with the Chairman, indicates that there is no value in having 'instrumental' linkages because he, in common with the General Manager, says that he would not do business with anyone he did not like or trust.

Other friendship patterns are identified by organisational members but it is interesting to note in particular that all of Vic's personal network connections are through work (from the focal company, to competitor & customer firms). All of them are local. He prides himself that he knows someone in every trade. His approach to personal networking is:

"I know them all in (town). It is like a circuit, if someone leaves here and goes to

another company, well I know them all, because the company I used to work for years ago, when they first went under, all these blokes set up their own companies...I help them and they help me. I get things done quicker for them which they like".

Here, the speaker is making explicit what he considers to be his distinctive capability: his access to a wide network of contacts, which although local, contribute and support his position as powerful person in the company in that he has access to wide information and resources which he can draw upon to achieve certain tasks. According to Vic, the Chairman and other people call upon him to use his network of contacts to help find get access to information and resources that the company would not otherwise have access to. Vic has told me that he thinks the Chairman is 'clever but not streetwise and that he provides the streetwise information that the company needs'. This view of himself is supported in a comment by the Chairman about Vic in response to a question on how do they keep up to date with what is happening in the industry.

"Vic probably knows more about that, he has a large network and always knows somebody somewhere and actually the info that he brings back is very valuable and I wish we had got more people like Vic in the other companies. But perhaps against that is that there are a few sheet metal companies around in the North East. But yes it would be better to have better intelligence networks".

Within Farnsworth Engineering Vic, therefore, fulfils a number of roles. He is a boundary spanner in the sense of being able to 'dip' into a number of different networks within the region. In addition, he acts as a 'broker' bringing together different parties (in and around the firm) to fulfil certain organisational tasks. In view of his wide access to a number of competitor and customer networks he has the ability to glean market information which he absorbs and then disseminates (with the help of his wife) throughout the organisation. It is possible to argue that Vic, located in his central position with the organisation, is a potentially powerful person. This is certainly how he talks about himself: *"I see everything... you know a lot more in this little office than they [senior management] do out there".* Interestingly, it is Vic who emerges as the 'hero' and 'good guy' in many discussions with organisational members, contrasting with the

'bad guy' language used to talk about family members.

In asking organisational members to talk about their personal networks, the above discussion has shown how individuals within the company are, to a great extent, embedded within local networks. But being tied primarily into local, mostly sector specific networks can cause the company some disadvantages in that too much embeddedness can prevent and obstruct orientation towards new ideas, market changes and ways of working. As is articulated by Vic in talking about the lack of effort put into gaining new business, there is danger that *"they would rather swim about in their own ponds"*. However, there are also some advantages of 'swimming about in your own pond'.

'Swimming around in Ponds'
Relationships with Suppliers - 'Better the Devil you know'

For Farnsworth Engineering, being embedded within a local sectoral network where everyone knows everyone in this particular industry gives them a competitive advantage, particularly in terms of being able to get access to and negotiate with suppliers. Other studies of small firms have shown how being tied into or having access to a wide range of supplier or subcontracting firms (Lorenzoni & Ornati, 1988; Lorenz, 1989) has rendered competitive advantages for those small firms who can manoeuvre themselves into cental positions (ie reputation for quality, flexibility). Studies have also shown how close contacts between firms have developed over time to result in cooperative supply chain partnerships (Lamming, 1993) where firms work closely together and earn competitive advantages in so doing. But, based on discussions with the two buyers, in the case of Farnsworth Engineering, it is important to emphasise that this company is in no way attempting to develop closer and cooperative relationships. The company uses hundreds of suppliers but there are six with whom they have negotiated retrospective rebates and therefore they use these suppliers most of the time. Also, in view of the ISO9002 rating they are also required to give their suppliers a rating (of A, B or C). But their approach to managing relationships with suppliers can be inferred from one of the buyers comments: *"better the devil you know than the devil you*

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don't". The Buyers tell me how they have been told that they need to get on the phone and at the end of the day save the company money.

So being embedded within local sectoral networks provides access to a wide range of suppliers who they attempt to play off one against the other in order to reap cost savings. Closer relationships as they talked about in the literature are not proactively constructed by Farnsworth Engineering. Although, the Buyers do speak of a special relationship with one particular supplier, this is not typical:

"I think we have just built up a good working relationship with him over the months. I am sure he worked with Martin before... but we've just got a good working relationship. I don't think we have cut any of his prices. I think he is at bare minimum with us now but he will do us favours if we are stuck or if there is any. We did go through a stage where we were having difficulty paperwork side matching what he had made and hadn't - on under-bases. And he made quite a lot of stuff for us for nothing. He could not prove that he had sent it and we could not prove that we had received it, so we re-negotiated that he would give us half and we would re-order half, which is good. When you can go back to them and say something like that and he would say, fair enough I will knock them out for you" (Mike Thorpe).

The network literature also argues that the power of an organisation's stakeholders is a further structural force influencing organisational action (Ibarra, 1992; Knoke, 1990). Certainly, in relation to Farnsworth Engineering who are 80% dependent upon one major, large customer, the demands made by the external stakeholders of the organisation have an important impact on internal practices and ways of organising within the company. It is important therefore to analyse the ways in which managers negotiate, make sense of and contribute to the web of external network contacts and meet the demands made by customers (and other stakeholders) external to the company.

One of the demands made by the large firm customer was the importance of implementing ISO9002. The following section discusses how individuals within Farnsworth talk about 'being sold down the river' with the old BS5750.

Being Sold Down the River with BSO5750/ISO9002

Whilst Farnsworth Engineering has about 200 customers in total, 65% (previously 80%) of their turnover in 1995 is with a large firm customer who is located in the same region. The remaining 35% of turnover is generated equally from business with twenty other customers. According to the people who work there, the distinctiveness of a small company like Farnsworth for the large customer, is that Farnsworth are small, flexible and responsive to their demands. Farnsworth, also, at a time when the industry as a whole was contracting within the region, managed to survive and has sustained its reputation for good quality work. In addition, the company also decided to move away from small scale fabrications where it was becoming more and more difficult to compete with the many self-employed people who had started up working from their garages. They differentiated themselves by becoming equipped with the capacity to manufacture precision metal work through to steel structures of ten tonnes. No other company in the region can offer this capability and this certainly affords them with many competitive advantages of large-scale work, higher volume and value added. Having this additional capability, which in conjunction with the highly skilled labour, is what individuals in the company say makes them an attractive sub-contractor. In addition, the company is ISO9002 quality assured which individuals suggest makes them distinctive for a small firm in the region. However, people were keen to make their views known of the impact implementing this quality standard has for the company. Most individuals within the company spoke negatively of the impact monitoring quality standards has on the company. Bill Taylor from the shop floor tells me that in his opinion BS5750 was:

"...something that came in here which was stupid. We had it, we had no work but we had BS and it costs us a lot of money and it is about paperwork".

DF: "So you don't think it is a good thing then Bill?"

"From what they were telling us that people were not going to get the work unless they had BS, but because these companies did not have the overheads, they were cheaper and got all the work. So I am not sure about it".

Also the Manufacturing Manager has the same opinion:

"It's like BS5750, it means nothing. It is just a cost to this company".

"But don't you think it would help to get new customers?"

"Well it would if we got them, but most of our work is from companies who have not got it and do not care if we have got it" (Vic).

He continues:

"I think we were sold down the river with that because it is run wrong - because the inspectors are sub contract[ors] which means they are getting paid for inspecting you and they know that if they fail you they will not be able to come back and inspect you again. So they will not fail you, just a few minuses. At the end of day BSi does not mean you are getting a better product it just means the traceability of the product is better, it just means I can find it on a bit of paper. It is not the best thing, it is a mockery, it is a government scam. For example, when they built their HQ at Milton Keynes, their subcontractors did not have BS 5750 - it's just a scam.

This view is also supported by Darren, the General Manager:

"It is more trouble than it is worth because it does not assess quality it is just a procedure for checking that you document processes you have done, it is purely a tracking procedure. It does not matter if you are good bad or excellent because there is no criteria with which to set that against".

In spite of the negative tone, it is fair to argue that this is one of the features of Farnsworth that makes them attractive to large firm customers.

In addition, the customer with whom they are closely tied provides Farnsworth with

many advantages such as large volume orders, technical support and advice on quality issues. There was also one occasion which was cited to me by the General Manager when Farnsworth needed to pay the V.A.T. bill for £52,000. Their customer owed them some money and the General Manager was able to secure a cheque to cover this amount at a days notice. However, despite winning a £1 million contract from the customer which stopped the company from closing in 1994, being a dedicated subcontractor is recounted in very negative tones by organisational members as they talk about their various relationships with this customer and how they try to organise work around them.

Relationships with customers - Competition, Coercion and Conflict

The first issue relates to the level of internal competition created by individuals attempting to manage the handling of customer accounts. I recall the episode where Martin Shaw was trying to gain some bargaining power within Farnsworth by currying favour with the major customer. The handling of customer accounts is a major source of conflict and power struggles inside the company as individuals, whilst aware of the pressures of managing large customer accounts, at the same time, realise that this is a way of improving their status and acquiring more negotiating 'power' within the company. Handling of customer accounts is organised is such a way that there are 4 engineers designated with the task of looking after customers:

i. Contracts Manager - handling huge £1m account with big customer (full time job)

ii. Manufacturing Manager - handling small 'door jobs" (ie those small jobs coming from customers coming into the reception and saying can you do me this). Vic sets himself a target of achieving £1500 (in total value) a week, to prove that although he is not directly responsible for bringing jobs in, he can do it as well as other managers because of his network of contacts. According to him *"it brings in an element of competition and rivalry with the lads which I like but also it makes me feel good".*

iii. The Technical Manager - who is responsible for handling more specialist one off engineering projects which are not the core business activity but might have high-value

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added.

iv. The Sales Manager - responsible for bringing anything in that he can get.

So each of these organisational members are competing with each other in terms of bringing in the highest value of orders. Whilst this creates an element of competition which is healthy for the company, this internal competition creates additional problems which interfere with the organisation of the business. In practice I am told that what happens is that on gaining a new order each of these managers then try to push 'their' jobs through the shop floor, vying with the other and trying to 'buy' support from the lads to do their jobs first. This is clearly unproductive in terms of work flow organisation but is seen as important internally because they are all bringing in much needed work. Contributing to the number of orders is seen by members of the company as a bragging point and source of power for winning influence and status inside the company often spoken of *"as doing my bit for the company"*. But this is clearly not efficient in terms of team work and this has led in the past to individualistic ways of doing things.

Another disadvantage which is spoken of by Farnsworth managers of being tied to a large firm customer relates to issues of control and constantly being at the 'beck and call' of the customer. Some managers comment on this:

"Yes, it is a pity you did not see some of the faxes. I mean Dougie Ball nearly had a breakdown over these people at [customer] because of the way that they treat you. I would not tolerate it, I honestly would not tolerate it. I know I would probably lose a lot of work through it, but I would still rather build up other companies. I don't see why we should resort to these levels of grovelling, just to pacify some jumped up buyer in an office. Some of them are only 16 year old girls and they are causing so much pressure over nothing. If we are a week behind over something, you should hear some of the things they say - are you still in business..". (Manufacturing Manager)

One story which was recalled many times by various individuals within Farnsworth

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relates to other sorts of 'favours' which the large firm customer expects of its dedicated sub-contractor. The story recounts how the most important buyer from the customer wanted to find a job for his father who was out-of-work and nearing retirement and how the buyer rang up Farnsworth and said something along the lines of 'if you want any more work with .... then set my father on'. The story is continued with the words of one manager:

"So they set him on, we have not got room for an estimator, we have not got room for two out there, but suddenly we can expand. I mean if you want to run a business on that kind of grudge, that's fine, but I would not want to".

This speaker is making explicit is concern about being too indebted to a customer which can lead to them requesting favours which, if carried out, can work against the best interests of the company. In effect, as a result of this 'appointment' the company now have to pay the salary of an estimator who they do not really need.

However, the General Manager speaks about this 'appointment' in a different way. According to Darren, the buyer at the customer 'had a word with me, can you find Mike a place'. But rather than being forced into employing this person with the threat of loss of contracts, Darren claims that his response to this request was *"well we aint got much work on the moment"*, to which the buyer is reported to have said *"well we have got a big contract coming up if you can find Mike a place"*. According to Darren, *"as far as I am concerned, I got the business and that was worth £60,000 to us ....and I can lean on [the buyer] when they sit around on things".*

So whilst other individuals within the organisation express their concern about the 'favours' the customer calls which reflects a negative view of the customer, the General Manager, on the other hand, makes sense of the favour in a different way and in talking about it to me, turns the request around to imply that he was the one who negotiated to get a large contract in return for employing the father.

Making Things Happen the Emergent Way

Another consequence of being tied to the customer is that it makes planning and meetings within the company almost impossible. When asked about how they approach their work and whether they can, to a certain extent, plan their work, all of those asked responded that planning their work was impossible. Listed below are some of the responses which reflect the tone of collective responses to questions about planning:

"I had a long conversation with Darren because he said I must plan my day. My day can be planned between the hours of 7.45 and 8.00 am and after that all hell breaks lose and the only reason for that is because there is nobody here and I get here early and have a cup of coffee before I start. Its crazy. I could try and sit down and plan my day and then it could all go out the window in 2 phone calls. People coming in off the shop floor demanding this and that, that throws my day completely out. I try to look at what I have got to order in the morning and I usually got a good idea of stocks, and what needs machining etc. I usually try and do that straight away by which time I have had an influx of people coming into the office, 6 phone calls that all want dealing with and anything else that comes up". (Buyer)

"You know you can't really plan anything here. Being subcontract, you don't know who is going to ring up, if you had your own project, I can see that you would have to have meeting etc. But when you don't have a product you have not a clue what is going to......." (Quality Manager)

What these accounts highlight is that being a small firm and being a dedicated subcontractor implies that sustaining control over their own daily business is difficult to manage. But in speaking to Fernie, the father and founder of the company, it can be inferred that planning ahead and communicating via formally arranged meetings, has never been a distinctive organising process within this company:

"Well there is a lot more [planning] now than there used to be. I used to rule with a firm rod of iron I think. It just grew, you just had to look forward and when you wanted

an extra workshop you got one and you just grew with the company".

DF: "So you did not consciously plan in 5 years time I want to be doing this, this and that?"

"Oh no, in fact I got to one stage where I said I was not going to get any bigger because I did not believe in being an income tax collector, I was making enough money on my own and that was about as much, but that was not a very good move actually because if we had kept on we should have been a lot bigger than we are. We should have carried on you should never stand still in business".

Fernie's view of planning the business accords with the way in which people currently talking about the ability to plan forward within Farnsworth. Responses such as *"most of the things that happen around here happen accidently"* and *"just see what comes up"* and *"they like to plan but they just go along and see what happens"*, suggests that when things happen they are more accidental, emerging in a ad hoc way in order to take advantage of new opportunities whilst meeting the requirements of their customers. However, having suggested that planning and development of the business is talked of as more evolving and emergent, that is not to infer that Fernie did not know what he was doing with the business and had no future visions. His comment about 'ruling the company with a rod of iron' implies that he did not need to plan too much because he had tight control of the company. From this, it is possible to infer that the firm was flexible and responsive because Fernie saw himself as having considerable control and could therefore make things happen quickly if necessary. However, whilst Fernie recalls that he did not want the business to get any bigger because he felt he was making enough money, at the same time he also talks of the business 'just growing, you just had to move forward' as if the business had taken on a life of its own. Instead, what can be inferred from this contradictory way of speaking about the business developing, is that Fernie did plan (in his head) to grow the business to a certain size (the three divisions) but the process by which he got there was unplanned and evolved over time.

Communication Patterns

It could be argued that this emergent approach to planning the strategic direction of the company has also shaped the way day to day business is organised. In analysing communication channels and the ways through which information is shared around the company, the same processes can be identified. In talking to organisational members about their day to day work many references to communication patterns are made which I present here. The analysis begins with a comment from the new General Manager about communication patterns within Farnsworth:

"the worst thing in the world this company has been doing is communication - it's hopeless and mostly because they think they've got it right. Because everybody talks to everybody about every subject, they think they have perfect communication but sadly what they don't understand is [that] just going out to Vic to say we have a bit of a problem with ...... hasn't actually imparted to me who is going to sort this problem out. Vic thinks that I've chatted to him about it and a week later, somebody says haven't you done anything? Oh I didn't know you wanted me to do anything. I thought you were just telling me about it. So that has been a serious problem...."

What Darren is making explicit is the way in which there are accepted, established and recognisable patterns of communicating within Farnsworth that have been in place since the time Fernie ran the company and which still dominate today. Lenny reflects this view in the following comments:

"informal channels are better because of [the] importance in the past of getting information through. If it is just down to line management blocking information [then] that could be harmful or good. Line managers need to protect their mistakes".

From comments Fernie has made and accounts displayed throughout the ethnography, it is possible to infer that this view of getting information around the company stems from Fernie. This is further reflected in other individuals' comments. For example, the administrator tells me that *"if you want someone you just go and find them.... and most*

of the communication is verbal".

Another interesting way of spreading information is through the use of gossip. This is a tactic which I observed and was told was used especially by individuals from the shop floor. The Contracts Manager tells me that when the lads on the shop floor have heard something but they don't know the full details, they start a rumour about it and then they use this 'rumour' as a lever to ask senior colleagues 'what is this about so and so.....'. This is done as a way of trying to extract more information and verify or not the information that they have suspicions about. The Contracts Manager also tells me that he thinks gossip is normal and healthy for a company, it "oils the wheels" and he cites the example of prisons to illustrate that gossip occurs in the these places to stop the boredom.

But also, what can be inferred from this is that in spite of people saying that 'everyone knows everyone's business', when it comes to the more strategic issues, there is a severe lack of communication which inhibits getting things done. This is what Darren was alluding to above, but is also highlighted by the lack of meetings to discuss more formally and collectively important decisions which affect everyone in the organisation. Individual managers say that they are excluded from meetings which they think they should be invited to because it affects their job and then they just given a sheet instructing them what they should do along with, what the Buyer refers to as "cryptic clues", which they are left to decipher. As a result gossip and rumours are started as a way of trying to speculate and find out what is 'really' going on. On the other hand, however, organisational members have also told me many times how they 'don't like meetings', how they 'are too busy for meetings' and how meetings have been scheduled in the past but people don't bother to go.

Two other channels of communication which are talked of and recognised by organisational members involve Fernie and a further one which has Janice, the receptionist and wife of Vic, at the centre.

The communication channel which links back to Fernie is used by certain individuals

within the company even though Fernie is retired. Lenny, the current chairman is well aware of this:

"If people want to get something to me they often go through him (Fernie), although they are free to say it to me but probably they think it will have more clout if it comes from him. And it probably will because it certainly makes me think when he says something but at the end of the day it comes back to me, so I do not see the need for people to go that way, I don't see the need".

This is also acknowledged by Fernie who says:

"they know they can always come to me. Even now they come to me if they want something passing on and know that I will listen".

It could be argued that due to Fernie's dominant style of leadership and the allegiances he cultivated whilst building the company, certain patterns of communication are more historical and are well-used or respected by organisational members because they know things will get done this way. Also, it can be inferred that this benefits Fernie in that he can still keep an eye on what is happening in the company although he speaks of no longer being involved.

One person who frequently calls upon Fernie is Vic and this is reflected in the map of organisational networking patterns as seen in figure 2. An example of this is recounted to me by Janice (the receptionist) on one occasion when Vic was complaining that he had not had a pay rise for 5 years. But rather than go to Lenny, the current chairman, who would be responsible for making the decision, Vic went directly to Fernie. However, in this instance he did not get the pay rise he wanted which has resulted in him 'putting it about' that he is being poached by a local firm who are offering him an excellent salary and company car. Vic claims that if he does not get some remuneration such as a directorship, then he will start looking elsewhere. I suspect that he is too tied to Farnsworth and the fact that he is in his fifties and has been with the company for 26 years, he would now find it difficult to make a change. But, nonetheless, this gives him a

lever with which to bargain. Also, it is possible to argue that he receives remuneration in other ways because of his central position with the organisational network which, as discussed above, means that he can influence and shape activities to his liking.

Janice tells me of another occasion when this channel to Fernie was used again although unsuccessfully. She tells me that this was when Vic had been told that he was to be sent on a 3-day supervisory training course and he did not want to go. So the power struggle began when he went down to Fernie complaining why should he go on this expensive course, it was a waste of time etc. However, Vic went on the training course and tells me that he surprised himself by enjoying it. Nonetheless, he did 'win' something from this dialogue with Fernie in that he managed to get his closest ally on the course as well.

Another interesting communication channel is through the receptionist who is married to the Works Manager. She has a reputation for being the 'agony aunt' in the company and so many individuals mention how they turn to her (along with her husband) for advice on personal matters. This has resulted in her taking on a fairly powerful position in terms of access to more personal information about what is going on around the company. She tells me that when the Chairman wants to know how his Manufacturing Manager is feeling he will:

"every night when I am emptying the bins [the receptionist has to do this job as well], Lenny will say to me well how is Vic and I have to sit down and tell him because I just don't like the way..."

This same issue came up again in an interview with Darren, the General Manager, who told me that often what happens is when Vic wants to get some information to him, if often comes through Janice. The way this emerges is that Janice will say to Darren 'can you have a word with Vic about some concern'. Darren tells me that this alerts him to some problem on the shop floor and then he knows he has to sort it out. Also, on many occasions, Vic gave me pieces of information which I think he was hoping I would pass back to the General Manager. On one occasion, he told me some very sensitive information about Martin Shaw, the Sales Manager. According to Vic, Martin had been

giving the lads, who were in work on a Saturday morning doing overtime, 'back-handers' to make metal hanging baskets for him which he was hoping to sell at car boots. In this instance, I interpreted this to be Vic's way of getting Martin into trouble. I never did pass any information back because I was not sure if this was Vic's way of testing me or whether he genuinely wanted me to pass on some information.

In summary, this section has been concerned with analysing bargaining or negotiation processes through the way in which people speak of daily events and interactions. The intention has been to emphasise interaction patterns as they reflect complex processes of personal, informal, formal, communication, power and friendship ties within the organisational context. In focusing on the way in which individuals speak of interactions with others and manoeuvring around, negotiating and shape relations with others in and around the firm, it is hoped that a view of networking patterns within a small family is constructed.

Conclusion

This part of the ethnography introduces the characters in the case study as they are talked about by each other in the company. From this analysis, a number of attributes which are favourably and unfavourably spoken of has been constructed. This is done with a view to highlighting how these attributes shape the formulation and dissolution of personal and work relationships within the company. Within the analysis on attributes and attachments in relationships, it is suggested that many practices are shaped by certain values which have been 'in place' since the time of the father's leadership. In identifying those attributes which are spoken of favourably, this helps to understand organisational processes and working practices. In some instances the values enhance organising processes in the sense of 'working together', 'mucking in' and 'being one happy family'. But also, from another perspective, certain values, as they are spoken of and shared amongst each other, shape and legitimise practices which are damaging to the company's well-being and future prospects. In particular, it is possible to identify issues of power as they are negotiated and worked out by individuals in central positions within the organisational network. An evaluation of personal and communication

networking patterns has also enhanced a discussion of network centrality and the distribution of power.

The intention of the next chapter is to continue constructing an ethnography of a small, family business. In particular, the following chapter is concerned with discussing in more detail the new General Manager and commenting on how he sees himself and his role as a 'change agent' in shaping the future direction of Farnsworth Fabrications.

CHAPTER SEVEN:

'PROFESSIONALISING' FARNSWORTH ENGINEERING

Introducing the Change Agent: The 'Eclectic' Manager

"My forte is not doing care-taking and leaving things ticking over but my forte is change and knowing when to stop".

The speaker of these words is Darren Craven, a tall, fair-haired person in his mid-thirties who has been brought in to Farnsworth Engineering as the 'professional manager' responsible for turning the company around. Darren joined Farnsworth in 1994 at which time he was 'poached' from Farnsworth's largest customer. Having worked in the past for large firms travelling all over the world, Darren tells me that the attraction of working for a small firm is that he can have control over something from beginning to end:

"I like to have something that I can say is mine from beginning to end. Because all I had ever done before was change parts of operation, never the whole thing, large parts, but still only parts and so it gives me the opportunity to grow beyond the business, because [in Farnsworth] there is the group beyond here, to look to. So if I can this here sorted out, then we look at the group, acquiring new business, that's what I want. Get fabrications sorted out well enough to support...we must have an overdraft which must be eliminated but after that there is no reason why we can't improve the strength of the group through acquisition. In 3 years fabrications should be strong and the company should know where it is going, it should be contributing enough to look seriously at growth. So there is always something else to do without having to leave or go elsewhere and Lenny is not that bad".

From this account, it can be inferred that working for a small company has certain attractions for Darren. He has the opportunity to be involved in all aspects of the

business and once he has 'sorted out' the fabrications division, there is the possibility of getting involved in the other divisions of Farnsworth Group, getting them strong financially with a view to gaining further strength through acquisitions. From the above account, it can be inferred that Darren considers himself as a 'change agent' and someone who can sort things out.

His career as a 'change agent' began because, in his words, he was *"a bloody awful engineering apprentice"* in the large company where his career began and he received a final warning because of various misdemeanours. One of these misdemeanours was arriving at work *"as drunk as a skunk at 11.00 and then disappearing at half past to go back to the pub"*. So, according to Darren, because he would *"never make apprentice of the year"*, he moved into purchasing within this large multi-national group of companies in the North East. He went back to college *"to fill in a gap on his c.v."* and from then on his career in purchasing management began.

His initial entry into change management came when his Head of Department asked him to comment on what needed changing in the purchasing department. Darren tells me that whilst everyone else in the department had said that nothing needed changing and everything worked fine, he, *"being an upfront person"*, told his line manager that things in the department were just stagnating, so after that they became allies and friends and proceeded to work together. Two success stories are recounted to me in conversation at this point. The first refers to a time when he came up with the idea of not just selling spares components for machines when they break. Instead, he tells me how he came up with the idea of selling parts (maintenance agreements and upgrades) to machines before they reached the stage of needing repair. This initiative led to his placement in a job where he was travelling around Europe talking to customers about how to upgrade their existing machines in order to increase speed, efficiency and turnover. He proudly recalls bringing in £8m worth of orders for new replacement parts in just 18 months.

The next project Darren was involved in was working in the United States sourcing components for a new aircraft engine which the large company were making on licence for General Electric. In working with General Electric, Darren tells me that he saw modern purchasing practices in action and that he learned a lot from this, particularly about supply partnerships. Following this job, where he worked in the United States for three weeks at a time for a year, he then returned to the U.K. and went to work for a tractor manufacturer where he informs me that he *"bolstered production of tractors from 70 to 120 per day. That took me a full 6 months to do"*. Six months later, the Head of Purchasing at the large company in which he had previously worked approached him and Darren was asked to go back and implement the changes he had earlier suggested.

"So I came back and changed the Purchasing. I broke it all off, divisionalised it, made three purchasing groups all working for production and then steered the change and then took over one of the purchasing groups after that and then incorporated that within the whole material supply groups, so it stopped being purchasing effectively. As opposed to having a Head of Purchasing and Head of Supply, I had 5 line managers that would run that operation. It took 3 years for me to do that".

But having succeeded at restructuring the purchasing and supply operations of a large, multi-national company, by 1994 he felt that he *"was a fraud taking a salary"* because he had *"implemented all of the change processes and now was merely monitoring and evaluating the change"*. It was at this point in his career that he was asked if he was interested in running a small manufacturing firm which was a dedicated subcontractor to the large multi-national customer.

Emerging from this account of Darren's career is an image of a self-motivated manager with international experience of sourcing and building supply partnerships. He presents an image of himself as a 'doer', someone who not only has good ideas and visions about how things should be run in an organisation but he recounts many

success stories that reflect his ability to implement his plans and achieve positive results. From his accounts, it is possible to infer that he likes to speak his mind and does not mind rocking the boat. But what can also be inferred is that Darren likes to be in control. His approach to work extends to his passion in life which is driving his motorbike. The motorbike, he tells me, represents freedom, control and speed. One day he described in detail the importance of being in control of his bike when judging a bend at 120mph whereby concentration has to be 200% and one small mistake can be fatal. Despite having 3 young children, he tells me he is 'undomesticated' and there is nothing he enjoys more than going off on his bike for solitude or to meet his motorbike club friends. This image of Darren is one which he presents to me and cultivates in our many conversations over eighteen months during which he would often talk unprompted for 2 hours at a time about himself, his past, his successes, his family and hobbies.

However, this image contrasts sharply with the image he presents at work which is a that of an uncompromising, professional and dynamic person. He talks about his skills as a manager which he had not thought consciously about before attending a management training course. On this course he enjoys recalling that:

"I was described as eclectic, I had never heard the word before. In a psychological test I came out as being creative. I burst out laughing, this is astounding - the other high [in the test] was chairman. But where the hell did this creativeness come from. I was awful as an apprentice. The woman said your creativeness comes through this whole ability to be eclectic, collecting up stuff, storing it away, everywhere you go you will collect things and put them away , you won't ever invent anything but put things together and bring them out again. Yes, I have never invented anything but when I see ideas and they've impressed me, I put them away. I may not think about them too much but it will come back and I have the type of job that best suits me".

In this account, Darren is making explicit what he considers to be the distinctive

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capabilities he has cultivated over the years and which he brings to his job. What he is doing in this account is making sense of his approach to work but he is doing so retrospectively. For example, it comes as something of a surprise to him that he emerges from a psychological test as creative. He is clearly taking the results of the test seriously in order to make sense of some qualities, such as creativeness, which he claims he did not realise he had prior to the test. The results of the test highlight that he performed well on attributes corresponding with 'chairman' and this he slips into the conversation with me but he does not emphasise this as being a surprise. In retrospectively making sense of himself, his identity and his approach to work, it can be inferred that Darren's sees himself as having qualities such as authority, control, leadership and influence which correspond with the label of 'chairman'. On this aspect, he does not speculate because, it is possible to argue, these attributes conform to the view he has of himself.

However, when speaking about the creativeness attribute, once again he takes this evaluation of his personality seriously and in so doing engages in a dialogue with himself about where this creativeness comes from. He finds this evaluation amusing but is pleased when during the management training course he was provided with some phrases which accorded with his view of himself and his approach to change management. In talking about being described as 'eclectic' (I noted his disappointment when I prevented him from explaining the meaning of eclectic to me as I already knew the meaning), he spoke with pride and satisfaction of this view of him which reflected his ability to go around collecting and storing things. From this it can be implied that as a result of interacting with the trainer of the management course, he was able retrospectively to make sense of an aspect of his personality and self-identity which he recognises and talks about in ways seen above such as *"I am not a care-taker... my forte is change"*. But, through dialogue and interaction, it can be suggested that he found a language for making sense of this aspect of his self-identity which is realised in his approach to work. Throughout the accounts in this chapter, Darren talks of his ability to shape, craft, get things done, import visions and solutions

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in order to inspire change. What the above account highlights is Darren adopting phrases and language which accords with his view of himself and which he uses in other interactions to talk about himself and his approach to change management.

From conversations with Lenny, the Chairman, it can be inferred that in his initial interactions with Darren, he was impressed by Darren:

"I was talking about what I needed...and we talked the same language. He had been on some courses had some ideas and I thought this sounds good".

The comment *"we talk the same language"* refers to Lenny's expectations of the professional manager he wanted to bring in to the company. This is discussed more fully in chapter five but a further point to emphasise here is the way in which Lenny speaks of Darren in terms of him 'matching' Lenny's expectations of a professional manager:

"I wanted someone who had been trained as a professional manger who could see clearly into the future and put the systems in place and ensure that we were going to get a steady profitable business",

Assuming that Darren talked to Lenny about himself and his approach to work in a similar language to that presented here, this suggests that Darren's self-presentation and view of change management accorded with Lenny's expectation of a professional manager. In reporting that "we speak the same language", it is suggested that this refers to a shared view of change management and how it could be implemented within Farnsworth Engineering.

'Getting Near the Bone' - Near Collapse and Survival

On undertaking a financial and market analysis of Farnsworth Engineering in 1994, it

could be suggested that joining this small company might possibly have been interpreted as a high risk decision. In 1992 the company made a net loss of £315,000 on a turnover of £1806,000 and gross profit of £99,000. The high management charge of £201,00 which represents 48% of total overheads increased the deficit ending with a gross margin of 5.5% Not surprisingly during 1992 and 1993 the company could barely continue to operate. Turnover actually decreased to £1500,000 but by keeping tight control over the cost of sales, the company managed to achieve £423,000 gross profit. However, although the management charge had been reduced to 29% of overheads, because the company had to write-off the debt incurred by the manager falsifying the accounts (as discussed in chapter five), the net profit was reduced to £14,000. The figures up to six months (February, 1994) were projecting a similar position to 1993. The company was managing to keep the cost of sales down reflected in an improved 28.3% gross margin. Also it had reduced administrative/distribution costs. However, the management charge had increased up to 43% of total overheads (which I suspect reflects the salary payments of Darren Craven), resulting in an overall net profit of £8,000 at the end of six-months trading in February 1994.

It was against this financial background that Darren joined the company officially in February 1994, although I am told that unofficially he was doing work for Farnsworth before this time. The only improvement the company had shown on the balance sheet was greater control over costs reflected in an increase in gross margin from 5.5% to 28.3% over three years. Also, the management charge of the company was still very high at 43% of total overheads.

Four factors conspired to prevent the company from closing in 1993. The first was that Farnsworth Engineering was propped up by funds from the Farnsworth group of companies to the amount of £167,000. This 'propping up' of the Engineering division was orchestrated by Fernie to prevent the division from closing. I also learned from the local Business Link that Farnsworth had been awarded with £13,000 for a business

development project to help with financial and strategic structuring. However this project was awarded to the Farnsworth Group of Companies and not specifically for the Engineering Division. An interview with Business Link also gave valuable insights of how Farnsworth are seen externally by local trade and support associations. Business Link told me that Farnsworth *"came pretty near the bone as regards financial collapse and the bank forced accountants in to provide survival counselling"*. But the company managed to secure a loan of £25,000 from the County Council. This assisted Farnsworth's working capital requirements which it needed to win a major contract for £1m in early 1994. It is ironic that winning this major contract to supply large fabrications to the major customer over two years had the effect of preventing the company from closing and also provided the guarantees the company needed to secure the £25,000 loan.

Many individuals have commented on 'winning' this major contract and have reported suspicions on Darren joining the company from Farnsworth's customer at the same time as the big order arriving:

"There are a lot of rumours going around because when the big contract came from just across the way, that is when Darren came and it does look a bit like, well we will give you this contract if Darren can come and be your General Manager. That is exactly what it looks like and a lot of people in the factory think that is what it is. They are not looking on him as being permanent" (Janice, the receptionist).

Also, in asking Lenny what was his biggest success, the Chairman responds: *"bringing in Darren because along with him we brought the big contract which is worth £1m"*. When I tried to ask Darren indirectly about this he did not respond. However, on my last visit to Farnsworth, Lenny did indicate to me that: *"it is not common knowledge out there but Darren did bring the contract with him"*, which suggests that the suspicions of many individuals within the organisation are well-founded.

It was against this historical, economic and financial context that Darren Craven joined the company in early 1994. The time ahead for the company was not going to be easy. Financially, the company had stringent targets to achieve. The company's business plan was forecasting an increase in turnover to £1,750,000, in gross profit to £563,000 and net profit to £87,000 in the 12 months up to February 1995. Also, in terms of market orientation the company is a sub-contractor firm producing for other firms and not able to develop a product of their own. This means that the company is locked into supply relationships with one major customer upon whom they are very dependent and who, as was identified in chapter five, make many demands of the company. It can also be argued that in terms of inter-organisational networking patterns, Farnsworth are heavily embedded within local networks in the machine tool sector. Organisationally, the company is informally structured and networking patterns are characterised by many personal and social ties between individuals who have worked for the company for a number of years. In terms of culture and values, the paternalistic leadership role and style of managing adopted by the former founder of the company still dominates the company and many individuals adhere to certain values and ways of working which were rewarded by Fernie. Also, the long run of management changes involving family issues and succession have had a negative impact upon the company creating instability and lack of confidence in senior management.

'Flying by the Seat of our Pants' - Formalising the Business

The future needs and requirements of the company are summarised by the Chairman as he responds to a question concerning the strategic view of Farnsworth's future:

"Because of the last 3 and a half years of looking at survival, in the business plan that I have I think the ideas, objectives are mainly to improve the bank balance, which only 3 years ago, was only £900,000, it is down to £600,000 at this moment. To

regroup bank balance sheet, to eliminate bank overdraft which has just started going down but is far too high. To develop a group marketing strategy and plan because over the last years, and the courses I have been on I realise that that is a weak area. I have maybe been lucky in the past but I realise now that in the harder times, we need something more formalised in order to succeed. And we need to get the companies to working together and I see that as an important objective. ....Whereas perhaps before we were flying by the seat of our pants far too much. Although it has not all gone exactly to plan, we are on course for doing that.

Also, reporting to a Chairman who has difficulty breaking away from his father and who, according to his peers, would rather be on the golf course than running the family business, poses major challenges for the professional manager brought in with the remit of engineering a restructuring process. It is against this context that the following section analyses the way in which Darren speaks of his approach to restructuring Farnsworth Engineering.

Making Sense and Gaining Control of the Business

In short, Darren speaks favourably of the potential and future which a company like Farnsworth has within the machine tool industry:

"I believe that this fab shop has got the ability to be one of the best five in this country, at the moment it is probably running around 10th in terms of quality, turnover - and it is a market that is expanding for different reasons. One is that the large companies are cutting back on their supply chain, their own in-house fab shops... a lot of the large companies only want to do the high value added stuff...., we have the ability to be no.1..."

However, on close inspection of the industry statistics (National statistics office, 1992) which define the number and size of firms within Standard Industrial

Classification 28 in which Farnsworth are located, there are 27,310 firms in total in 1996 and there are 4880 firms in VAT-registered firms employing 1-49 employees. I would therefore find the claim that Farnsworth is around 10th in terms of quality and turnover, difficult to support. But the optimism and faith in the ability of Farnsworth to improve and expand are aspects which Darren emphasises as providing the potential for the future. In the mean-time however, he is aware that many aspects of the company are in need of change.

"This company needs drastically to change, dramatically. I do not want to bring in a bureaucracy.........it suits me being here. I am not bound by forms, no capital expenditure requests and I like to order things and do things without being bound by rules, red tape. Internally we need to do one or two things:

In spite of telling me 3 months later in a different conversation that formal organisational structure is not too important in the company, the first thing he tells me that he wanted to do was:

"to change the organisation structure so that it made sense and people knew where they were. The next thing was to get out amongst the lads to understand the business, you have to understand the business, if you can't make sense of and organise things, so first thing was to make sense. Then once you can get your organisation right, then everyone knows where they are".

So imposing some type of structure on the company was seen as important by Darren from the beginning, although from the analysis of chapter five, organisational structures were not seen as very important by individuals within the company. But from what Darren is saying, he is making explicit his need to learn about each individual's job and role within the company and a starting point for him is the formal organisational structure.

Other changes Darren talked about making changes related to his concern with *"getting control over the business"*. From long conversations with Darren I construct below how he talked about familiarising himself with the business and how, at the same time, he attempted to gain greater understanding and control over organisational processes with Farnsworth Engineering.

"Since I have been here I have made it my point to be out there. Through the summer when people have gone on holiday, I've done estimating etc. from their desks. I've made it my business for me to get out there on to the shop floor and understand the business. I suppose if you analyse it, is build up my power base, which I had at [previous firm] because they knew who I was, I knew the place inside out and I knew the power base which I did not have here. They hardly knew me here... you have to build that up and get over the previous structure. Once you have that power base and understanding and because I don't like getting unreasonable with people, so I had to understand. I have done that now, starting to communicating with them. One thing which will change is "peer pressure", that will work, that's what I've started doing, pushing out the simple economic business. The men on the shop floor like to think in economics because they know they can't just have what they want. What I've done is educate them and continue to educate them.

He continues:

"The workforce in the last 15 years is better educated than previous years in the ways of the world, market forces. Open up and stop the secrecy; they always think we are doing better than we are. We don't have unions so I tell them when we make a profit they will get a pay rise. I've started pushing out information on costs to get them to take on board that is their money they are spending, it is actually going to come out of their pay packet, make them feel like it is their company, own equipment".

What Darren is alluding to in these accounts is his approach on joining a new

company and the steps he takes to establish a 'power base'. From Darren's comments, this tends to suggest that he goes about cultivating a power base through 'going out on the shop floor', building allies and getting close to the lads, developing an understanding of the jobs people are doing. I recall a comment made by Janice about the lads on the shop floor 'giving loads of stick' to the Chairman when he was thinking about changing his company car. She tells me how: *"he turned up here in a new BMW but he never had it because he got so much stick from the lads it was untrue.... the place was nearly on the verge of closing down"*, which encourages me to think that Darren strategy of winning over the lads on the shop floor was a wise one.

Also, Darren talks about the need to communicate with the workers in trying to give them the 'big picture' so that they are better informed about the financial position of the company in any one month and the cost of machines, equipment and parts. One way in which Darren has attempted to facilitate more communication and sharing of information is through the introduction of a newsletter:

"Now I put out a newsletter to tell them how we are doing, what we are doing to all employees. I wrote a whole screed on what I wanted to do with the company and sent off a copy to every employee personally".

Attempting to share information about costs has certainly resulted in a reduction in the cost of sales as discussed earlier. Another way in which Darren has attempted to save costs is through changing the wage structure:

"I changed the wage structure.. I've made it more productivity based. I had a big meeting with all staff and senior reps and asked them what was peeing them off and out of that came i. job security; ii.basic wages; iii. bonus. But the bonus was too big a part of their money (so now we've restructured the wages - before they would get £187 on a flat week and £220 on a good week through no fault of their own, nobody can live with that difference, so now we put a job onto the shop floor with say 100

hours on it and if a does it in 90 then he gets paid those extra 10 hours, we get it back as a contribution on those hours. Also there was no difference between the basic and bonus wage, so now I have increased the basic wage to £5.50 a hour and reduced the bonus to half, so there is more incentive. It has saved me money because I am not now paying out bonus money but now the better they work the more they earn and I got away with that, it took me nearly 2 weeks to get that in.

He continues:

"I changed the holiday structure as well. People were carrying over holiday each year, so the first stage was to upset them by telling them they could not carry over any holidays and therefore would lose it, everybody was very upset about it. But I just enforced this. So a lot lost holidays. Then I came in and changed the structure when they were all upset. I put a ceiling of 25 days through accruing two and a half days per month, so psychologically they feel they are not losing any days".

The subtlety of this, Darren tells me, is that whilst there is still a bank of 25 days, there is a psychological difference in that they are encouraged to take holidays as they being accrued monthly, rather than saving it all to the end of the year at which time they all want to use up holiday they have not taken. Another point to mention here is the approach used by Darren of 'making everyone upset' about some changes and then coming in with the 'real' issue or policy that he is trying to implement. Darren's strategy was to allow people to think they were going to lose any holiday which they had not taken by the end of the year which they did not like. So when he finally told them that all he was going to do was accrue holidays per month (ie what he actually wanted to do), he knew he would receive no resistance because the workforce thought this was better than loosing un-taken holiday at the end of each year.

From this, it can be inferred that Darren's approach to certain issues where he is expecting resistance is to transmit messages that he is planning to undertake some

action which he has little intention of implementing but which he knows will receive resistance. In getting the workforce 'fired up' about certain issues, he can then 'push through' those aspects/issues he wants to implement because by this time the organisational members are relieved that the first outcome was not realised. Also in adopting this approach, it can be argued that the organisational members are encouraged to feel they have been successful in negotiating for the second option.

The other area which Darren feels he need to improve in order to gain control over the business is the computerisation of Farnsworth's operations:

"We need to computerise our operations. We are totally manually run, the duplication of effort is horrendous. So we could double our turnover without any increase in overheads on the staff side... nothing elaborate but just a network of PCs. I've had a systems analyst who is going to make some recommendations".

In introducing a computer system Darren hopes to speed up the process of handling customer accounts, getting control over costs and moving away from the "gut feel" approach which has dominated this business.

Other changes Darren has made is adjust the name from 'sheet metal' to 'sheet fabrications'. Darren tells me that he did not like sheet metal *"it is a bit tinny"* and so he changed it to 'fabrications'. This was done in order to reflect Farnsworth's expansion into heavier fabrications. He also tells me that he has changed the company colours and logo which were pale green. In his opinion, pale green did not render sufficient impact for a company that was making heavy fabrications for structural steelwork, *"so we plumped for red ....and I wanted the red to be as bright as possible".*

The other aspect which he suggests needs changing concerns marketing and the need to change from the local market in which the company operates:

"So the aspect that is left is marketing. It hasn't been done. I sacked the salesman in the summer. Because that's what's happened they haven't had the marketing plan to know what they're doing. We've signed up with Contract UK which is a service to buyers, they have regions up and down the country. We believe we know our region well but I believe that our potential region is North of London, across Essex".

DF: "Why there?"

"Higher Cost rates. If I go in at £15 an hour which is what I am charging, I mean garage mechanics are charging £20 an hour in and around London. Sheet metal workers are rare, there are not many around north of London and the ones in the area are charging a fortune. There is also quite a good centre of industry there which is not serviced by a traditional army of fabricators like in Sheffield or Newcastle, so if we are trying to compete.....So that was the first step but it was quite a panic at the time. I would say that it was a panic measure. We din't have any selling at all, we were setting off in the wide blue yonder with no idea, without a marketing plan without an idea of where the market was.."

So it was gut feeling from you then?

Yes, from the way big firms are cutting back on purchasing, they will shut purchasing, it hasn't been as a function. The powers that be in purchasing don't understand it but what I think we will see now is a specialisation. IN the 1970's purchasing was in its hey day and everybody saw the benefits of it but now it has gone beyond its limits. They all do a fantastic job but if the potential savings aren't there then, (ie nuts bolts brackets and things) and the admin load, they still use buyers but once they are up and running the potential for savings is phenomenal......... So that's what I think will happen. So when that happens [ie down-sizing in the purchasing function], then we'll [Farnsworth] have the new system up and running.

What Darren is making explicit is his vision of the future market potential there is for a company like Farnsworth. Firstly, he talks about serving a new geographical area where the company can compete on lower labour rates. Also, from his experiences of working in purchasing, he reports his views on how large firms cutting back on their purchasing function and externalising specialist manufacturing activities in order to reduce costs. This, in his opinion, will create many market opportunities for Farnsworth for the future. But, it is worth noting how the decision to buy into Contract UK's services was still a 'panic measure' based on 'gut feel'.

The other aspect which Darren has been working on is improving profitability by concentrating on subcontractors and as he says "getting their prices down". He continues:

"I sacked the buyer in mid-Summer because he was hopeless and since then I have promoted one young lad [Pete Jackson], who is quite keen and I've taken on another buyer [Mike Thorpe] on a temporary contract as long as he is saving money he is employed and I think we are seeing the benefit of that".

Darren goes on to report that this company has traditionally struggled because it has not worked more effectively on its suppliers which has meant that, in his opinion, when Farnsworth have needed to cut the price of a tender they cut the hours they have estimated, even when they know they are fairly accurate on their hours, rather than:

"going back to the subcontractors and saying look this is too much. Last Thursday night we had to take out 15% to win a contract and so I said well go back to the suppliers and ... then with an industrial bonus and you should get 25% of them if that is their first price. And Vic said we will never get that off them. But we've done it. So the expectation that the money was there to get was very low, so we are now changing that".

This approach towards getting the suppliers' prices down has had a positive effect on reducing the cost of sales as was illustrated earlier. This approach towards suppliers also accords with the view discussed in chapter five concerning the lack of willingness to pursue closer cooperative relationships with suppliers in the hope that the company can constantly get components and spare parts at a cheaper price. However, whilst Darren emphasises the cost advantages Farnsworth have reaped, it could be argued that this approach towards playing one supplier off against another has other negative effects which are not so readily recognised as a cost to the company. For example, the Quality Manager (who has a nick-name of Gadgett) in speaking about his daily job tells me of many occasions where he is chasing up work from suppliers who have promised to deliver goods by a certain time.

In particular, Gadgett tells me of one occasion where he had gone to visit a painting subcontractor based in Sheffield who were painting some items that Farnsworth cannot do. The end work is for the large customer and so one of their inspectors who, I am told, has a reputation for being 'pedantic', went to inspect the quality of paint work. Gadgett rang the paint firm the day before to check they were ready with the three units and they reassured him that they were and so on. However, when Gadgett turned up with their customer's inspector, only one of the units was ready. Gadgett felt that this inspector would go back to the customer firm and say something along the lines of "Farnsworth have let us down again".

Being ISO9002 assured and having the £1m contract from their main customer, means that Farnsworth are expected to check the quality of their suppliers and at the end of the day poor quality or delivery on the part of a supplier reflects badly on Farnsworth. But also, if all Farnsworth are doing is trying to cut back their suppliers' prices all the time, it is not surprising that they do not pull out all the stops to deliver on time to Farnsworth. When I tried to talk to Darren about this approach to their suppliers, he told me he did not get involved with them and I should speak to Pete Jackson or Mike

Thorpe. This was surprising because it was my impression that Darren liked to get involved and keep control of most activities. But clearly, the idea of working more closely with a few suppliers who could still offer competitive prices but would ensure quality and delivery was not attractive to Darren.

After ten months of implementing the above changes, Darren commented to me that:

"Operationally, it is looking a lot better now". My response to this was: *"So you have done a lot in the short time you have been here"*. He replied: *"Well there was a lot to do" (laughs).......I don't want to bring in a bureaucracy.. but they've got to get reminded of what they're doing and where they're going with this.*

Also, the chairman reports his satisfaction with Darren's change programme:

"He must have found them not very helpful to start with and he had a lot to prove to them and I think now he has done a marvellous job. Unfortunately, I don't think he has had the reward in the company showing the profits it might have done but that is not down to him. It has been an uphill struggle. He is doing things in the right way, he is doing what I wanted him to do when we talked about the possibility of him joining us".

Having introduced so many changes in a short time span, I was intrigued as to how Darren pushed through and encouraged people to buy into the changes. This issue was alluded to earlier but I wanted to discuss it with him more directly. I asked: *"Well, how do you get people to trust you"?* His response was: *"I am fair with them...and straight with them. I never promise anything unless I can deliver it and be honest....I give them small things which I promise and these accumulate over time".*

This approach of giving small rewards accords with a comment he made on another occasion when he said *"you cannot **take** all of the time, you have to give them*

something". What Darren is doing here is making explicit his awareness that when implementing change you have to approach it in small steps and give small rewards based on promises which can be kept. So in the early months Darren tells me he was proactively going out and encouraging the men to make requests for new machinery and equipment.

However, in spite of speaking of himself as a 'man of the people' or a change agent with a human face', showing concern and empathy with being one of the lads, understanding the business, implementing change policies slowly and earning the respect of the work force, several conflicting reports emerged throughout the interviews which do not accord with Darren's view of the change process. Outlined below is a number of responses concerning Darren and his approach which emerged when individuals were talking about daily events:

"I remember when Darren started they all thought he was marvellous because he walked out on to the shop floor, he went round saying hello to everyone every morning and they like that, they are treated like people" (Janice, the receptionist);

"There have been a lot of changes in managers, a lot of to-ing and fro-ing, finding someone who is the right person. You get running along a set of lines with one manager and then someone else comes in and says we are not having that, change all that. But things are settling down now" (Contracts Manager);

Also, in response to a question on what effect the management changes have had on the guys on the shop floor, Bill Taylor tells me:

"Well obviously it makes you think because of the type of people we have had, you see so many mistakes made, you don't have confidence. Whereas these others I don't know but they don't seem to have a clue about what is going on. They don't come round and get to know the men".

DF: "But I got the impression that Darren did?"

"No, he gets out there, goes into the works office and that's it, but he has never actually got to know any of us".

DF: And do you think that is important?

"I do, I tell you".

So from Bill's view point, this does not accord with Darren's view that he goes out amongst the lads in order to get to know them and the jobs they are doing. I asked other individuals for their views on Darren:

"He is good but he will still get the same problems because they [the family] will not let go of the reigns. It is like being a mickey mouse leader, a puppet". This is Vic's response alluding to some of the issues which are considered in chapter five.

Also, other managers report that they are starting to think that Darren might be with them more permanently and that things are beginning to settle down:

"Previously when there was all this change an uproar was going on, people did not want to be here working for these people. It was just a total and utter bind.... I am hoping now and everyone else is, that we may have found someone who could be good for the company, good for fabrications and hopefully he will be here for longer than 6 months or a year (Buyer);

DF: "Why, do you think people think he is just another one night wonder?

"People's attitude was at first, well here we go again, now I don't know how long it

will take before people sit back and say maybe this is the one. He [Darren] is the one that is going to be here to run the company. They are not stupid out there, they will get their own opinion and look at him as he is looking at them. If he gets their respect he will be here a long time".

Others individuals report more critically their views of Darren.

"He brought in a few customers at first but for the last few months he has not pursued any new customers of his own, he has basically just been overseeing things, I suppose dishing out rollickings where necessary, issuing news letters......and if we took his wages out of the system we would be in profit" (Tony Powell, Technical Manager).

Tony is alluding to the high management charge which Farnsworth incurs and many conversations have speculated about Darren's salary and how much he must 'cost' Farnsworth. In another conversation with Tony, he informs me that Darren is not, in his opinion, earning the respect of the lads. Another aspect which individuals have referred to critically is the amount of time that they think Darren spends on the computer.

"A lot of the staff and works have gone into Darren's office and he is playing a war game on his computer an do you know what I mean... you know it might be an hour after he has given someone a rollicking .. and you walk in and he is playing a game on his machine.

This also accords with a comment from Janice:

"It is a known fact out there [shop floor] that Darren spends most of his time playing games on his computer and just gives everyone else wok to do. Lenny has been told umpteen times but he will just not listen because he set him on".

These accounts indicate that there are mixed views of Darren joining the company. On the one hand, individuals speak of "things settling down" and "having found the right person for this company", "he is good" but, at the same time, the accounts reflect a high degree of dissatisfaction with Darren as a person. He is criticised because individuals say that he does not speak to people and get to know them, in spite of Darren reporting that he has tried to do this. Darren is also critically talked about because of the time he spends on the computer. Before the introduction of the computer system which occurred in the summer of 1995, Darren was the only computer literate person in the company. Thus, it can be implied from this that working on the computer and "just pressing a few buttons" (Vic Woodhouse) is not seen as 'real' work, it is not held in the same regard as manufacturing and 'getting your hands dirty'. The comment referring to Darren "just giv[ing] everyone else work to do] reinforces the inference that Darren does not do any 'real' work and gives this to everyone else to do. Thus, when Darren is seen playing a game on the computer (he chooses between golf and a 'doom' game depending on his mood), it is possible to suggest that this reinforces their negative view of Darren and the role that a computer system can play in enhancing their performance. These criticisms of Darren accord with comments made during the discussion in chapter five and six concerning the importance of 'coming up through the tools', understanding the business and giving/earning respect.

'If it aint Broke Don't Fix it'

The criticisms organisational members have of Darren are also extended to the different policies and structures Darren has attempted to implement. The following section reports a selection of comments which relate to the structures and processes Darren has tried to change. Many comments concern the interference from senior management which prevents them from 'getting on with the job'.

"I like getting the job done, I like meetings about what you are going to do. Like

memos are all about such idiotic things. I mean about sending a memo about a coke machine that is being fitted in the canteen. What good is that.. and then to have a meeting about it" (Vic Woodhouse, Manufacturing Manager).

Also, Tony Powell has a similar view which accords with the earlier comments about Darren not getting to know the lads. Tony's comment also highlights the collective view that Darren 'has not been here 5 minutes' as if to imply that he has no right to implement such changes when he does not know people and how things are done:

"All they [ie Darren] do is send you memos out telling you wont do this and you will do that. All you hear is people getting written warnings. I mean Darren has been here 5 minutes, he does not know people".

Although Bill Taylor's response to the news letter was positive in that he thought it a 'good idea', Vic Woodhouse was less positive. His response was:

"It works in a big company but not here. They [referring to shop floor] know more about what is happening than us in here [works office]".

Bill was, however, more critical of the change in the wage structure suggesting that this just puts more and more pressure on the 'lads on the shop floor' to do the work in less time.

Also, Tony, in referring to the appraisal system suggests that:

"Everybody hates them.... Everybody sees them as a bit of an irrelevance, I think so, I suppose everybody here is fairly old fashioned, in other words if it aint broke don't fix it, if it works leave well alone".

Tony's comment alludes to the collective feeling within Farnsworth that everything

was working before and therefore does not need to be changed. This suggests that individuals within the company who have worked there for many years, not surprisingly find it difficult to see the reason for changes. This view is supported by John Gardner, the Administrator who suggests that: *"people have been doing things for so long that they are not amenable to change".*

Also, there are mixed views of the introduction of the computer system:

"It is only now that they are putting computers in but that is not helping the men manufacture the product - all that is going to do is guide it through, but you have to have something to guide through. If you have not got the machinery to make it cheaper, you have not got the orders, so there is not much point in having computers" (Manufacturing Manager).

Also, some wariness is expressed by one of the buyers:

"I am not too confident because I am not that computer minded, I have never used computers so I... but I think it would be better, I am sceptical at the moment but that is only my own ignorance because I have never used one" (Pete Jackson).

It is not surprising that there is some concern about the implementation of new structures such as a computer system because of the implications this raises for the new skills, training and new ways of working. Many individuals expressed concern about the new skills they were having to learn and they reported feeling pressurised to learn. The pressure also stems from speculation that Darren intends to 'get rid' of all the 'old' Farnsworth staff and replacing them with new ones that are 'his'. These concerns are generated, to a great extent, by the warnings and dismissals which have occurred since Darren came as discussed in chapter six.

'A Magic Blue Print' - Modifying and Moulding

These criticisms of Darren can also be analysed in terms of what individuals say they expect of their General Manager (G.M.). For example, when I asked this question of one of the buyers, this was his response:

"I think a G. M. or M.D. should not just be a boss...he should be an all round....firstly he has got to know what he is doing in the job, and have an insight into each individual job, he has got to know what he is doing as General Manager, he has to have an insight into sales etc. so he can relate to the people who are working for him because he will then gain respect and if he needs to hand out a good rollicking then fair enough, let him do that and he will get the respect of the men, who will respect the rollicking but also if he also gives you a pat on the back as well, he will also get respect, loads of respect for that. And you will find that people want to be at work for him" (Pete Jackson).

Again, from this account it is possible to identify the importance of understanding the different jobs, being able to relate to people and being able to balance the ability to give a 'rollicking' with a pat on the back. But above all, mutual respect is identified once again as being the aspect of a General Manger that is most valued. The above account by Pete also accords with Fernie's view of defining a good manager which is *"somebody who knew his job, had come up through the tools and project himself and manage men and just do the job we were doing"*. From Pete's account which, it is suggested, reflects collective views within the company, it is also possible to identify traces of Fernie's style of managing his approach to 'sorting people out' by 'giving them a real shouting'. This style of managing contrasts with the way in which Darren speaks of his role as a General Manager:

"A good General Manager is someone who can balance, who can obtain in people that work for him whatever it is he wants the company to do.... has to be able to, not

persuade or indoctrinate but to reflect the views that you want, attitude.. .. he has to be able to influence attitude so they change their views or perspectives on life. Traditional managers have been structured, institutionalised, almost because with a conglomerate pyramid structure, that is what they want... they don't want free thinkers... they are petrified if they let people have their head, they will cause chaos.

It can be inferred from this account that Darren espouses the importance of a more consensual approach to managing change by encouraging people to think for themselves. In view of this, I asked Darren how he consulted with colleagues about changes he is thinking about. This was his response:

"I try to understand the problem, mull it over, come up with an idea.. put it to them [workers/managers involved]. Then I present to them a 'what if' scenario, and ask them to tell me if it works or not and the pitfalls. Then they will test it (and test me to see if I am serious) and they roll it around then they suggest a change to it. I then modify it and then let it roll".

Bearing in mind some of the comments from other managers about the change process, I thought I would try this question in a different way. I asked: *"Is it important to get people's views, do you alter your opinion if you think someone else's is better?"* Darren responded: *"I don't have a magic blueprint which I impose, it is more generic and philosophical then physical.* For example, he tells me about a new bonus scheme for one of the divisions:

"I think about what I want out of the new scheme, what are my objectives, what aspects do I want it to achieve. Then I will get them to come up with a scheme which fits these objectives. Then I will move it and mould it.

But once again, the way in which Darren speaks of his philosophical approach to managing and implementing change contrasts very sharply with reports made by

individuals within Farnsworth. In speaking about their daily work and events occurring within the company, there was a common theme which dominated much of the narrative concerning organisational changes. I have 'labelled' the theme 'nobody will listen' in view of the extensive references made towards a sense of powerlessness, alienation and lack of consultation. In contrast to Lenny's open invitation suggesting that: *"if someone wanted to speak to me then my door is open and I am happy to listen to any from the youngest apprentice to the most senior director. I listen to what people have to say and I am not normally hasty in making a decision"*, the next section presents a selection of comments which allude to a sense of powerlessness which organisational members report as resulting from the organisational changes.

'Nobody will Listen'

"...It is worse since Darren came and you can't talk to anyone, nobody will listen. Like Vic told Darren this morning that he was not very happy about the vendor schedule but he did not get any reaction from Darren, so he is going to see Lenny. But nothing will be different. So what do you do?" (Janice, receptionist).

In another conversation talking about who should be doing the General Manager's job, she tells me that:

"In fact the other Managing Directors upstairs [Farnsworth Group] have told Lenny that Vic is the only one that can do it but he does not even listen to them"

In talking about the guys on the shop floor, Bill Taylor suggests that: *"they are so much more under the thumb more now. Things are done to them and they can't do much about it"*, suggesting their powerlessness to respond to these changes.

Also, in a conversation with Pete Jackson who is referring to the stress that Dougie is under, I ask:

"Has he [Dougie] tried talking to Darren".

His response is: *"Oh yes, a lot of people have tried. Dougie was just totally done in with all of this extra work, he just could not do it... and he said to Darren I just can't do this, I need some help and Darren said to him "organise your day better".*

Another example refers to Vic Woodhouse who tells me how he tries to use his initiative by getting his own men to repair machines at Farnsworth rather than paying external firms to do this. But he recalls that he just gets "moaned at" for doing this. This contrasts with what Darren says to me about his attempts to empower individuals within Farnsworth to make decisions for themselves. So I asked Vic: *"well, what is the problem then?"* His response was:

"He [the Chairman] does not listen and he does not understand what we are doing. He is not into fabrications and has no idea...... but Darren understands and he tries hard to master it but he is not a fabricator, he is a buyer. He is here because of his academic side, so he can talk to the bank.

At a different level, whilst Vic complains of how he is not listened to, in another conversation he tells me how he tries 'not to listen' to the men on the shop floor when they are reporting problems or conflict:

"The stress factor can be... if you listen to it. I have about 3 people every day coming to me moaning. That is why if I listen.. but I have to build up a wall, I listen to the first sentence and then I switch off and say oh we'll sort it out later.

So in spite of presenting to me the image of the ideal, charismatic change agent, winning over the respect and support of the existing staff, from the above accounts, it is possible to infer that organisational members are resentful and hostile to Darren and

the changes he is implementing. In above comments, Darren reports how he consults with people and encourages them to have a role in shaping practices but his view contrasts with how people say they are not listened to from which it can be inferred that there is only limited consultation that is meaningful to them. Through the accounts, individuals within Farnsworth make explicit their resistance to change and their wish to sustain things as they are. This is illustrated in the comment 'if it aint broke don't fix it'. It is possible to argue that many individuals speak about how they yearn for times past, when everyone knew where they stood. Many comments were made referring to 'the way we were' which highlights how, in times of major organisational change, individuals' try to hold on to those values and ways of organising which are familiar and make sense to them.

'The Way We Were'

Many people recounted stories to me about the good old days when there was considerably more work, when there was a lot more traditional light fabrications, more duct work, which meant more site work, different designs which gave e greater job satisfaction. The Technical Manager harks back to a time between 1983-9 when:

"We were swimming then, that was my best time", to which I asked why. His response was: *"I started to gain the bosses respect, which I enjoyed when they realised they could leave it to me and they would come to me for advice. They knew I could do it. then I got my first brand new company car in 1983, so I was on my way up... everything was fine.. wages were slowly going up. Then in 1987, still great, got me another car even better.. then from 1989-90 it all began to decline".*

Also, Bill Taylor recalls how:

"It was good in the early days... we did everything ourselves 'cos there were only 3-4 of us.. it was good we used to make the stuff, then go and fit it all, go out and do the

erecting. ....I had a company car more and more to do.

From what Bill was saying, I inferred that he was lamenting the growth of the company and I asked him whether he saw the growth of the company as a sign of success. He responded:

"Well I don't know, I suppose if you are really going to do it properly... I suppose you have to have more (managers). But it is difficult for me because I have seen it from both sides but it has changed such a lot and I think probably I am a bit biased. Like Bryan Farnsworth he knew every job that was done, he used to go out and measure up a bit, go and see customers. He had more respect. Whereas these others I don't know but they don't' seem to have a clue. It was much better before, I used to like working here but not any more.

From this analysis which reflects how many people speak about past times and how it was in the 'good old days', it can be inferred that in the previous structure, individuals comment on how they "knew where they stood", they were not constantly being subjected to new managers, new structures, new ways of doing things and so this has led them to hark back to nostalgic memories of the way things were. Even though practices in those days were dominated and shaped by the visions of a strong autocratic leader with a quick temper, the stability of the period, it can be suggested, overrides any bad memories. It is possible to suggest that against a context of substantial managerial upheaval and instability, the memories of the past are reframed as memories of a time when everyone knew their place, everyone knew where they stood - a situation quite different from today, when with the new manager implementing his visions and structures, people are still trying to make sense and frame new events within their experiences and understanding of past events.

On the final field work visit to the company in August 1995, Darren informs me of a Mad-Sad-Glad analysis (table 8) below he had undertaken with members of

Farnsworth Engineering. Darren tells me that he arranged an 'ideas' meeting with lunch for everyone (excluding John Gardner *"someone had to answer the phone"* at the Business Link offices as he wanted to get all the team together to explore problem areas and make suggestions on how they could be tackled. I mentally noted that I had not been invited to the meeting and felt disappointed to have been 'left out' of such an important meeting.

Table 8: SAD, MAD, GLAD Analysis: Farnsworth Engineering

MAD	SAD	GLAD
we talk about team work but we don't do it	nothing gets done about the mads	we succeed in spite of ourselves
lack of patience, not prepared to wait	people aren't involved	Farnsworth keeps investing
goods not checked or recorded on receipt	poor team spirit	confident we will come good
cannot find goods in workshop	we keep making the same mistakes	we do finish a job eventually
workshop untidy	failure to embrace training	pay day
	not getting better fast enough	we are busy
	need more cooperation	got a job at Farnsworth
	too much time spent slagging each other	like working for Farnsworth
	no mutual respect	

The outcomes from the meeting were that seven problem areas were identified upon which individuals were asked to vote on what they considered to be the most important problem (maximum of 3). These were the results:

Manufacturing system is a mess - 18 votes

People not helping themselves - 14 votes

Lack of information on jobs - 8

Lack of facilities to aid housekeeping - 4

Lack of empathy/respect - 2

High wastage in working - 1

Poor machine/plant maintenance system - 1

The minutes record how it was agreed that these fell under 2 generic categories:

1. Ineffective manufacturing system
2. Peoples' attitudes

This resulted in two solutions being presented. The first was agreement to establish an Implementation Team for the new manufacturing system which would be responsible for producing and implementing changes to the manufacturing system. The second solution related to internal relationships where agreement was reached on the need to make greater efforts to help people, to stop winding people up, to apologise for mistakes and to try to understand other peoples' problems.

The above meeting was talked about as a success and brought to the forefront some of the issues discussed within the last three chapters. In particular, it is interesting to note that 'peoples' attitudes' emerged as one of the generic categories creating problems. The importance of helping each other, understanding each others' jobs and mutual respect were cited as fundamentally important for effective [and happy] working within the company. In adopting organisational networking as a framework

of analysis, this aspect emerged as a distinctive organising process of Farnsworth Engineering and as such facilitates understanding of daily life and work within a small, family firm. It is at this point that the ethnographic account ends.

Conclusion

This ethnographic account has reported how individuals within a small, family business have talked about their responses to a major restructuring programme. The change programme has been implemented by a 'professional manager' or change agent brought in by the chairman to introduce systems and structures which will help the company turn around its negative financial position. The first part of the ethnography was concerned with introducing the change agent, his background and his approach to change management as constructed from interviews with him. The account then analyses the different responses to the change agent and the systems he is attempting to introduce. The account highlights a number of contradictions in the way the change agents talks of his approach to implementing change and the way individuals make sense of this process. The ethnography also indicates how organisational members recall past times and events which, it is argued, reflects adherence to values and ways of working which are associated with the founder-owner of Farnsworth Engineering. It is shown how individuals are still trying to make sense of and frame new practices within their understanding and knowledge of past events. Finally, the account identifies that organisational relationships and networking patterns are cited as important problem areas within the company and are highlighted for future improvement. In short, from the analysis, it is possible to argue that individuals' attributes, attitudes and relationships with each other constitute important organising processes which shape working life and strategic orientation within Farnsworth Engineering.

Chapter Eight:

Organisational Networking, Strategic Change and the Family Business: A Social Constructionist Perspective

This thesis has been concerned with developing a conceptual and methodological framework appropriate for investigating the daily organising processes and practices of a small family firm. In particular, a network perspective on organisations has been developed with a view to analysing how a network approach enhances understanding of strategic change.

Chapter one outlines how interest in the study of networks developed and undertakes a review of the inter-organisational literature. In so doing, it provides the foundation for further discussions on the role of networks in organisational activity. The chapter argues for a new conceptual framework to analyse inter-firm linkages and proposes a network perspective as it emphasises the ways in which firms, as a result of inter-organisational transactions, become tied into multiple networks of firms. The chapter concludes by emphasising the need to 'rediscover the social' in inter-organisational relations and proposes a network approach as it enables study of inter-organisational transactions and exchanges.

Whilst chapter one is concerned with the study of inter-organisational relationships, chapter two argues for a focus on intra-organisational linkages as a way of exploring the complex processes which embody and realise networking patterns both inside and outside the firm. It is suggested therefore that an 'inside the network looking-out' perspective is adopted with a view to developing deeper insights into the processes which give rise to, rather than outcomes of, organisational network patterning. In so doing, the chapter develops a perspective on organisations as 'sets of social relational networks'. Chapter two also develops a methodological perspective on organisational networks which enables the network researcher to investigate the complex processes which shape the relationship patterns. This is done through an ontological and

epistemological discussion of 'networks'. From this discussion, an alternative methodological perspective on networks emerges which requires a social constructionist approach. This perspective facilitates analysis of the spoken words of individuals within the organisation as they talk about how they interpret and make sense of their jobs. From this perspective, it is argued that it is possible to identify processes and ways of organising which are distinctive to the company being studied.

Chapter three is concerned with advancing the conceptual framework. This is achieved by reviewing and integrating strategic change, entrepreneurship and the notion of family business with the networking literature. An analytical framework is developed which is derived from broader 'systemic-conflict' and 'strategic choice' perspectives of strategic change. In addition, planned and emergent views of strategic change are discussed which give rise to two types of narrative. These are 'dominance' and 'partnership' narratives which, it is suggested, reflect the different epistemological assumptions and shape approaches and 'strategies' to change. These narratives are then discussed in the light of the entrepreneurship literature where it is found that 'strategic-choice' and dominance narratives also permeate theorising in this area. The perspectives of strategic change, entrepreneurship and networking are then integrated to form an analytical framework. The integrating device is a social constructionist approach the use of which, it is argued, has the potential to enhance theorising of strategic change in organisations. This analytical framework is then extended to include a discussion of approaches to family business studies.

Chapters five to seven have been concerned with constructing an ethnography of life in a small, family business. Several themes have emerged which can be characterised as distinctive of Farnsworth Engineering. The task of this chapter is to evaluate the usefulness of the adopted conceptual and methodological framework for enhancing understanding of strategic change processes within a family firm. The first section discusses the concept of 'family' and its meaning in relation to Farnsworth Engineering. The second section analyses the value of a network approach and the third section addresses issues of strategic change. Incorporated within the second section is a discussion of 'professionalising' the family business. It is intended that

this analysis will contribute to more substantive theorising of organisational networks and provide a framework for further studies of both family and non-family small firms. The final section integrates these themes with a view to discussing the ways in which this framework of analysis can contribute to understanding of strategic change processes within firms in general.

Conceptualising the Family Firm

The ethnography began by introducing Fernie, the original owner, founder and father of the company and recounts how Fernie recalls how he reluctantly started and developed the business. The account then goes on to illustrate how Fernie grew the company over the years and how it diversified into related product areas. The analysis has indicated that Fernie's personality and style of leadership pervades many aspects of the company's operations and how, in spite of a fierce temper, allegiances to him have evolved over the years.

The story then recounts the ways in which issues of succession dominated the company's activities for a period of five-years creating instability and insecurity. In building the business, individuals speak of how Fernie had intended to secede the company to his three sons and the analysis alludes to how the succession process failed and was used as an opportunity by two of the sons to leave the business. The exit of the sons resulted in the third son being brought reluctantly into the family business from his teaching career. The story highlights some of the sibling and father-son tensions which characterised the relationships between the family members. In particular reference is made to the elder son's alleged resentment concerning the placement of the younger son into the role of deputy chairman and also mutual dissatisfaction with the younger son's lack of responsibility and lack of commitment. The story includes comments which refer to the dominant role of the father and how this inhibited any of the sons from making a real impact upon company affairs.

It is suggested that the two sons left the business at a time when, it could be argued,

the business was moving from a single-owner-managed to a family business. The irony being that at the point which the company had evolved into a family business, in the sense of ownership/management of the company being concentrated in the family unit (Litz, 1995), the company also at this point dissolved from being a family business. It could therefore be argued that from 1994, Farnsworth Engineering could no longer be characterised a family firm. However, some of the wider definitions from the literature of what constitutes a family firm do acknowledge family firms as those owned by a family but run by non-family members (Hoy & Verser, 1994). But for the small firm under study here it is suggested that they have experienced all the problems of a family firm undertaking succession to second generation without any of the benefits. In one sense therefore, from 1994 the company ceased to be a family business in that Lenny is now the sole owner and whilst as chairman he has some management responsibilities, the main thrust of management is devolved to Darren the 'professional manager'. However, in spite of ownership and management no longer being concentrated in the family unit, I would argue that this company is a family business because of the fact that three of the sons alongside their father have been involved in the running of the business. Furthermore, the relationships between family members, their style of managing, approach to the business and family values have considerably impacted upon the organising process, decision-making and strategic orientation of Farnsworth Engineering.

It was this style of operating, communicating, building customers and organising/managing that, in the early days of business, provided a flexible, growing company. However, due to the departure of two of the sons several other external managers have been brought in to the company and this phase of 'professionalising' the business, in conjunction with the onset of the recession, led to worst period in the company's history. So, it is possible to argue that the development of the company has been shaped to a great extent by family members. Also from analysis of the way in which individuals recall and speak about the days when the family were working in the company, the claim is made that meanings, interpretations, relationships and remembrances of past events have shaped current practices. Thus, rather than being too definitive of what constitutes a family firm in the strict sense of concentrated

ownership and management, it is suggested that a more flexible view of family firms is also important to take into account what Litz (1995) refers to as the intentionality within the business. Litz (1995) suggests focusing on the 'intentionality' within the business - that is to become, erode, displace or remain a family business. It is found that this approach to analysing family firms is a useful one and enables the researcher to focus on the processes through which the role of the family emerges, is sustained or eroded and displaced over time.

Throughout the chapters individuals report on the role of family members and how they feel the sons have exploited their position within the company and in so doing created negative feelings towards family members. The management changes of family and non-family senior managers has led to a collective mistrust and disrespect for management which is constantly reinforced in the telling of stories about management changes. Most individuals ritually cited the management changes that occurred over a 4-5 year period, recalling names, length of employment and how much respect certain managers earned during their employment. In recalling the passing of each General Manager through what had been coined the 'electric chair' it is suggested that organisational members were united by shared experience of the changes. This shared experience is further reinforced in the continuous telling of stories about the changes. There was a 'telling' consistency with which individuals recalled which manager followed who in a five year period. Also, it is suggested that in sharing experiences, this reinforces collective identity and a shared sense of what Farnsworth is all about - that is mucking-in, working together, being one of the lads and so on. So that in collectively sharing their experiences of who did not fit in for example, this not only reinforced their collective identity but it gave individuals the legitimacy they needed to conspire in bringing down a General manager who was seen to 'get everybody's backs up'.

Also, some individuals went as far as saying that all the company's problems have arisen as a result of 'the family'. The story recounts how individuals comment that their life style and expectations had a serious effect on the business and put serious strains and demands on people and affected their ability to do their job. In referring to

the sons who had taken over the business, individuals coined the term 'Toad of Toad Hall' to refer to the 'squandering of money' on the sons' hobbies and interests such as land-rovers, boats, villas abroad, snooker tables and wine/beer-making. Critical comments made refer in particular to the three sons Lenny, Brian, and Andrew because it is agreed that Fernie, 'having given jobs to all these men', has the right to do this. In a sense, it could be argued that the sons had become another set of customers who needed to be kept happy. A 'them and us' language is identified as a particular way of speaking about senior management. Also, from the extensive references to individuals on 'the other side of the fence', it is suggested that in the past this language was used to refer to the family owners and the language has become familiar and accepted. This 'them and us' relationship is identified as a complex one whereby people, on the one hand, are in awe of family members and yet, at the same time, they realise the importance of 'keeping in' with them. In spite of Fernie and Lenny denying the presence of any barriers between 'them and us', this language was used many times by different groups of people to refer to factory floor, works office and management offices 'them out there', 'them in here', 'them over there' and 'them down the road' (referring to customers).

The claim is not made however that this is a distinctive feature of family firms in particular, but it is acknowledged that this term is used to refer to senior management in general. To a great extent this language is inevitable in that the ways people make sense of their position and status is in relation to other roles and positions within the organisation and it is this that unites the non-managers from the managers. But in a family firm where ownership and management is (or was) concentrated, there is an added dimension of power in that individuals depend upon these people for their jobs. It is suggested therefore that intra-organisational relationships are shaped to a great extent by knowledge of the family and past events and it is this knowledge that reinforces a sense of 'other'. Non-family members see themselves as different (as working harder, earning less, knowing more about the business) than family members. This shapes and colours the ways in which people talk about their job and relationships and are mutually reinforced by family and non-family members alike. The relationships feed off signs and interpretations which are implicitly worked

through as people interact, negotiate and communicate with each other. 'Love-hate' relationships as talked about with a 'them and us' language reflect a myriad of meanings and interpretations which are constantly being mutually reinforced (unless one person surprises another by acting in a way which is unexpected).

The story also recalls the dominant style of Fernie and the difficulties experienced by the sons as they tried to work alongside their father. Lenny reports some of these tensions and comments on his attempt to reconcile his different approach to managing with his perceived need to be more like his father. Other individuals allude to Fernie as the 'good guy' for 'finding out the con-man', 'putting his pension money in to save the business', intervening in unpopular incidents and 'saying his piece' to Lenny. This talk about Fernie as the 'good guy', it is suggested, sustains Fernie's hero status and makes Lenny's struggle to be 'his own man' more difficult. Lenny also talks about how family businesses are different from small firms in that in meetings and so on *'you have to bite your tongue', 'you cannot tend to stick to what is the question on the table, other issues come into play and you have to pick what you say. Whereas, if it was someone else emotions do not come into it in the say way, you can talk about subjects without thinking if I say that is it going to offend them'* (op.cit. chp.5 p.4). From what Lenny is saying, in the case of Farnsworth Engineering, he speaks as if their small family firm is different from other non-family firms. It is also possible to infer that he is somewhat relieved that in making decisions now, he does not have to 'think about' the needs and feelings of his family.

The ethnography also reports on the many practices which were introduced by the father and practised by the sons which still prevail to shape many relationships and activities up to the present day. One theme which is discussed is labelled 'caring and kicking' and refers to the ways in which individuals recall how they have been 'treated' by senior management. It is argued that in a small, close knit organisational context where the founder of the company has a strong dominant character, aspects of 'caring and kicking' take on a particular perspective. In this context caring can be seen from a more paternalistic perspective where caring and control are closely associated and stem from a general concern with acting in the best interests of the company. Keeping

tight control over the work force, getting involved in all aspects of the business, fiercely managing people and providing strong, clear paternal leadership was the style of managing which, it is inferred, the father introduced and legitimised as a good way of running the business. Individuals use the term 'Fernisms' to refer to a style of leadership which Fernie practised which meant that everyone knew where they stood and were constantly told what to do. The other side of this meant that Fernie's autocratic style often led to individuals receiving 'kickings' which were talked about in many conversations with organisational members. In showing that he cared about his workforce and intervening in things that annoyed him, it is suggested that Fernie is implicitly reinforcing loyalty to him. The ties between Fernie and his workforce are shaped by loyalty and respect for him and are enacted through autocratic control.

Another aspect often referred to in the interviews was the 'Farnsworth Promise' which was used to refer to occurrences and promises made by senior management that never materialise. It is shown how these broken promises are given a label ie 'the Farnsworth promise'. Over the years, incidents, events and disappointments are also stored away in boxes bearing the same label and whenever there is an opportunity to engage in a dialogue about them the box is opened and the memories of disappointments are disclosed to the listener.

From this analysis, it is suggested that the dominant view which has traditionally shaped the study of family business which views the 'family' and 'business' as two 'systems' competing for power and control within the organisation, is inadequate for analysing the complex contradictions and paradoxes which emerge from conversations with individuals working in a family business. As discussed in chapter three, many solutions are offered by rational views of family business to excise family issues such as kinship ties, nepotism and emotionalism because they are seen to have a detrimental effect on the business (Calder, 1961; Donnelley, 1964; Boswell, 1972). However, from the analysis so far of family issues and their influence upon 'business' issues, I would argue that it is almost impossible to excise the values, emotions, ties, ways of working within an organisation which have been shaped by family roles and relationships. Furthermore, once the organisational members have been involved in

and had interactions with their colleagues (whether family or not) then knowledge of these past interactions is always there to shape future interactions. So that even if a firm is no longer a family business, there is still knowledge, values, emotions, hurts and disappointments from past relationships which shape current and future relationships.

Chapter three argues for an alternative conceptualisation of the family business which moves away from rigid rational and systemised views and instead develops a more interpretive approach to examine the concept of 'family' as it is interpreted and constructed by those working in the family business (Levin, 1993). As McCollom found in her case study, the dynamics of family business are constructed in daily interactions and conversations. This discourse, she found, was dominated by family issues and through the 'family discourse' meanings were managed in the system (McCollom, 1992:19).

Gubrium & Holstein (1990) suggest that "family discourse is not just a mode of communication..... it also assigns meaning to the actions we take on behalf of the social ties designated as familial" (p.14). These authors distinguish between 'the family' and 'family', arguing that 'the family' is a static description but because family discourse is multi-dimensional, it is interpretively dynamic and so the concept of 'family' is more useful:

> Family discourse is active. Used in reference to concrete social
> relations, it communicates how one intends to look at, how one should
> understand, or what one intends about what is observed (p.16).

Family discourse therefore can be seen as a way of talking about, assigning meaning to, and making sense of relations with others and this also provides courses of action. As Ram found in his studies (1991, 1994a, Ram & Holliday, 1993) meanings are negotiated within the firm and are shaped by family, non-family and paternal influences alike. What is important therefore is not "what is family" but in what ways 'family' is a linguistic or conceptual resource for specifying individuals' relations

with others (Gubrium & Holstein, 1990).

Emerging from this review of later approaches to family business studies are some very useful ways of conceptualising the family business which correspond with the social constructionist perspective being adopted within this thesis. It is shown that there is a strong link between family and organisation of the work place. However, this relationship is a complex one and in trying to understand and conceptualise the family business it is not helpful to separate out the different elements (of family and of business) but instead to examine the 'family as business'. So what is important is how the concept of 'family' is interpreted, understood and 'drawn upon' by organisational members. However, this does not mean that the relationship is a static one, it is continually being shaped, modified and aligned by family and non-family members alike. Family becomes a concept for exploring the interactivity of its members and the way in which interactions, dialogues and sense-making processes are shaped by organisational relationships.

However, this does not mean that the concept of family is only applicable to family businesses. In proposing this conceptualisation of family, it is also envisaged that 'family' is a useful concept for analysing non-family small firms. Kepner (1983) suggests that the glue that holds firms together is the "complicated inter-personal linkages... the emotional bondings and affectionate ties that develop between and among its members" (p.60). However, complex inter-personal linkages, emotional and affectionate ties are also predominant in organisations of different sizes and especially small firms. It is facile to argue therefore that connectivity, mutuality, reciprocity and inter-personal attachment are unique to family firms because these features characterise organisational life. However, it is possible to argue that in the case of family firms the 'glue' is thicker in the sense that there are family relationships being played out in the business which have a long history and which have developed outside of the business in childhood and adolescence. Thus, in firms where family relationships dominate there is a longer history and knowledge of shared experiences and past events which converge, albeit sub-consciously, to influence and shape current activities, events and relationships. So that the inter-personal linkages, emotional

bondings and affectionate ties that characterise all firms are more complex and embedded in family firms. The task for the organisational researcher Morgan (1993) suggests is to develop "dynamic modes of understanding that show how knowledge results from some kind of implicit or explicit 'conversation' or 'dialogue'" (p.279).

It is proposed that a social constructionist approach has wide potential for developing dynamic modes of understanding of the ways in which meanings are managed, worked and aligned within organisations in general. Moreover, this perspective is particularly useful for analysing meanings (embedded) or embodied within family relationships as they are interpreted, 'drawn upon', talked about by family members and realised in daily activities and practices. Thus, it is proposed that 'family' is an important 'discursive resource' through which strategic orientation and change processes can be analysed.

Conceptualising Organisational Networking

In chapter six, the intention was to investigate the extent to which the organisational 'structure' as constructed by senior management and formalised in the organisational chart is talked about by those working in the company. In particular, the intention was to examine the processes that shape what people say and the importance of organisational networking patterns for shaping these processes. One of the tasks undertaken in the chapter was to ask individuals to comment on the relevance to them of their 'formal' or prescribed organisational structure. From the analysis of the accounts, it is inferred that networking patterns prescribed by the formal organisational chart are not particularly meaningful in the context of this small firm. Reference is made to Knoke (1990) who accords with the view that formal role and positions has only limited value for understanding organisational activities and instead he suggests that it is important to take into account the emergent patterns of activity that account for decisions, outputs and failure (p.93).

Also, Ibarra (1992) criticises the factors that govern the relationship between formal and informal structures. She argues against making a distinction between formal and

informal practices on the grounds that this shifts attention away from the individual action and processes facilitating things getting done. From an analytical perspective, chapter two suggests the need importance of separating different kinds of formal, informal, emergent and instrumental networks in order to assess the alignment of each in getting things done. Whilst it was acknowledged later in the chapter that empirically it was probably impossible to differentiate between these networks, this certainly came to be the case in practice.

The analysis of the accounts suggests that informal networking patterns that cut across formal lines are a more meaningful indicator for facilitating communication, resource exchange and helping managers to do their jobs better. It is these informal networking patterns as presented in fig (2 op.cit) that 'provide the sound basis through which [individuals] get through the week'. This also provides the opportunity to investigate networking patterns from the way in which individuals interpret, manoeuvre and negotiate within the internal organisational network. So to investigate the way in which managers talk about each other in the context of daily events and interactions, it is argued that this provides for a more meaningful understanding of networking patterns.

Chapter six was concerned with introducing the characters in the case study and with identifying attributes which are favourably and unfavourably spoken of within Farnsworth Engineering. This is done with a view to identifying how attributes shape the formulation and dissolution of both personal and work relationships within the company and how these relationships facilitate working processes and practices. In particular, the characters in the case study are introduced from the way in which their colleagues speak of them. It was suggested that the reputation of individuals within Farnsworth Engineering was an important shaper of networking patterns and individuals were very influenced by the reputation of their colleagues. It is found that an evaluation of networking patterns on the basis of how individuals are spoken of by colleagues was a useful way of identifying who was in or out of the organisational network. Also, it was possible to identify certain attributes that are spoken of both favourably and unfavourably. From this inference can be made to what type of person

gets on (or not) in the company. This, it is argued, is an important shaper of how things get done within Farnsworth Engineering and alludes to the role of networking patterns in this process.

The analysis proceeds to investigate in more detail how people speak of the attachments that have been formed and dissolved within the company. But in order for organisational members to recognise and learn those attributes which are not favoured, they must also have a good understanding of those attributes spoken of favourably. An analysis of those attributes spoken of unfavourably is undertaken and presented in table (6, chapter six). From this, it is possible to construct an understanding of those values, attributes and ways of working which are more favoured. It is argued that the attributes which are spoken of unfavourably are formulated and shaped by a shared understanding of those attributes which are favoured within the organisation.

This part of the story identifies the importance of individuals fitting in, mucking in, not treading on peoples' toes, not being too clever, working together, not being too superior, 'giving and taking' and not pushing people too hard. Examples are cited where individuals have been set up and dismissed and it is suggested that this is indicative of a practice of 'setting people up' and 'getting out' those who are deemed not to fit in. The analysis also highlights how the intensity of attachments between certain individuals are, to a great extent, shaped by involvement in and interpretations of past events such as the role of family members, managerial changes and so on. The distinctiveness of this analysis is that in adopting this approach it is possible to understand networking patterns as they are talked about by those involved in forming relationships. Also, it is possible to develop an understanding of how certain expressions are shared within the small business and the ways in which these shared understandings influence how people work together and how they make sense of and talk about their interactions with each other.

The practice referred to above of getting people out and setting individuals up to fail is discussed at length and it is suggested that this in part stemmed from the legacy of

past ways of working connected to the paternalistic style of the father. In conversations with Fernie, 'learning your place' was cited as an important attribute. The analysis suggests how, in espousing the importance of 'learning your place', this in a sense reinforced and gave legitimacy to alienate those who were 'seen' as not learning their place. It is identified how this practice had become accepted as an unwritten code of practice and had become institutionalised in the practice of hiring and firing.

In reflecting on this practice, it was initially thought to be a practice of the past but evidence was found of this practice being actively used in the present with warnings and 'kickings' being given through appraisals to individual managers who were thought not to be performing. Accounts referred to occasions where the new General Manager had been 'watching' and 'working' on the sales manager for a while with a view to finding a reason for his dismissal. Furthermore, it is suggested that informal ways of working also facilitated the process of getting rid of undesirable people in that this informality gave opportunities for engineering setting up people and so on.

One of the most important attributes which was continuously spoken of during the interviews was the issue of 'mutual respect' and the importance of giving and receiving respect from peers. This was often cited as a reason for people getting moved out of the company or simply to explain why people were not liked. In referring to those favourable and unfavourable attributes in table (6), it is suggested that power, status and getting on in the company is equated with 'respect of the lads' and is earned by mucking in, cooperating and so on. Respect is also earned by individuals who are knowledgable about the job and industry but only if they don't boast about this knowledge. Whilst authors (Brass, 1984; Krackhardt, 1990; Knoke, 1990) often argue about the importance of identifying those inter-organisational relations which are characterised by power processes of bargaining and coalitions, the contribution from this analysis is that by focusing on the way people speak of daily events and activities, is a way of identifying aspects of power as they are talked about by those involved in bargaining and negotiating.

Communication patterns are then analysed and the main findings from this are that there are accepted, established and recognisable patterns of communicating within Farnsworth that have been in place since the time Fernie ran the company and which are still used today. These are used still because they are seen by people as enabling things to get done. Although it is found that people like to talk in this company and everyone knows everything about what is going on, there is still a lack of communication about more strategic issues which relate to the future of the company or performance and major changes. As a result gossip and rumour are used as a way of finding out 'what is really going on'

In summary the analysis is concerned with analysing the bargaining or negotiation process through the way in which individuals within the company talk about daily events and interactions. What is distinctive about this analysis is that in emphasising interaction patterns, they reflect complex processes of personal, informal, formal, communication, power and friendship ties at work within the organisational context all at the same time.

The analysis then goes on to discuss personal networking patterns in order to assess aspects of centrality and power within the organisation. The analysis shows how power and centrality within the organisation is also equated with length of service, the ability to trust, rely upon and get results from peers. Certain individuals are identified as having a very central position within the company. This is further reinforced in the map of networking linkages which are identified as tieing people together (see fig 2, chapter six). The centrality of Vic Woodhouse, the Manufacturing Manager, is strongly highlighted. This is also the case in terms of communication patterns in that he is the person most people turn to discuss a wide-range of issues from 'just having a moan' to work-related and personal problems. Vic's centrality is also reinforced in the analysis where his role is suggested to be that of boundary spanner. This is meant in the sense of him having access to a number of different networks within the region, 'brokering' and bringing together different parties to fulfil certain organisational tasks. Also his strong contacts with customer/supplier networks gives him valuable information which he then disseminates throughout the organisation.

The extent of personal networks of individual managers is also evaluated with a view to assessing the diversity and intensity of networks contact and linkages which managers have constructed. This is an important area of the network literature where strong/weak ties (Granovetter, 1973), wide-narrow networks (Ibarra, 1993) are argued to be an important indicator of the ability of firms to manage growth, change/development and their ability to be entrepreneurial and get access to important resources and market information (Aldrich & Zimmer, 1986; Butler & Hansen, 1991; Johannisson, 1987, 1989). The analysis which is displayed in table (7, chapter six) shows that with the exception of the General Manager all of the personal networks are locally based with close friendships occurring between colleagues in Farnsworth. Also many close friendships were cited as having evolved from previous employment. The analysis shows how, in talking about their personal networks, individuals are embedded within local networks often involving suppliers, customers and competitor firms.

The extent of this embeddedness is discussed further in terms of relationships with customers and suppliers. Being embedded within local sectoral networks provides the company with access to a wide range of suppliers who they try to play off one against the other in order to reap cost savings. It is identified that closer, cooperative relationships as they are discussed in the literature (op. cit chapter one) are not proactively constructed by Farnsworth although some closeness has been achieved through the continuous use of one supplier whom they have dealt with over a number of years and with whom they have a good relationship.

The expression 'swimming around in their own ponds' is used to reflect the embeddednesss of Farnsworth in relationships with suppliers and customers, implying that the company go round and round in the same pond. This is used in particular to express relationships with their main customer upon whom they are 65-70 dependent for business. Being tied into this customer means that Farnsworth have to undertake many internal adaptations to comply with their demands and this causes a considerable amount of tension, conflict and competition within the company. On the

one hand, individuals vie with each other to win customer accounts, but on the other managing customers accounts is seen as stressful and demanding preventing people from 'getting on with their job'.

From this analysis it is possible to accord with the argument that personal or social relations are important in the study of organisations (Mitchell, 1969; Boissevain, 1974; Birley, 1985; Aldrich & Zimmer, 1986; Johannisson, 1987b; Butler & Hansen, 1991; Larson, 1992; Ibarra, 1992, 1993; Ram, 1994b). Whilst this contrasts with the traditional economic view of organisations where the social element is understated and managers are assumed to separate work and personal life, a discussion of the ways in which individuals make sense of their approach to work, highlights the importance of social relations in facilitating organisational activities. The analysis would therefore reflect the importance of rediscovering and acknowledging the 'social' in inter-firm relations.

Granovetter's (1985) argument discusses the under-over socialised conception of economic behaviour and the extent to which economic relations stem from or lead to the creation of social relations between economic actors. Instead of arguing for either an under- or over-socialised conception Granovetter suggests emphasising social relations themselves in order to evaluate how these influence/shape market behaviour. The distinctiveness of this approach is that it is possible to view economic activities as embedded in much wider networks of inter-organisational relations. Thus, as can be identified from the analysis of Farnsworth Engineering, embedding of firms occurs as a result of continued interaction over time with suppliers/customers. This supports the argument that firms do not operate in isolation of other firms around them (Hakanson & Snehota, 1989). The social embeddedness view of economic life as presented in chapter one provides the foundation for a view of organisations as 'sets of social relations' and encourages an argument for viewing economic action in the context of the structures of social relations.

Reference is made in chapter one to Boissevain's (1974) who suggests that "the social relations in which every individual is embedded may be viewed as a network". The

analysis of Farnsworth Engineering suggests that paying attention to the personal network of relations as is suggested in chapter one, is important for understanding how things get done within the company. It is possible to argue that the personal network becomes a means of organising the context of the firm (Johannisson, 1992). So by focusing on the social/personal networking patterns between organisational members, it is possible to argue that not only do these patterns provide access to important resources for the company but they are also the means through which the organisational context is ordered and made sense of by the people that work there.

In addition, it can be identified that networks are not designed by a single actor according to a master plan (Hakanson & Johanson, 1984). Linkages evolve over time and are developed through mucking in, working together and achieving mutuality. They evolve also through historical knowledge of past exchanges and are strengthened when internal adaptations are made and lead to mutual obligations and strengthening of ties (in both a negative and positive sense) between economic actors. For example, it was identified how for Farnsworth being tied in to their main customer meant that many internal adaptations had to be made to cope with the demands of this customer. This was particularly so in terms of planning and arranging meetings which were seen as almost impossible. However, it is also suggested that planning ahead and communication in the form of formal meetings has never been a distinctive organising process within Farnsworth. Many references were made to the accidental and ad hoc way in which things happen in the company which suggests that planning and development within the business emerges and evolves in response to new opportunities - whilst at the same time meeting the requirements of the customer. However, it is not suggested that Fernie, and now Lenny and Darren, have no idea of where they are going, they do, but what is distinctive is that the process by which they achieve their objectives is not planned and is dependent upon 'how things go' and 'what crops up'.

In summary, through a discussion of networking patterns in Farnsworth Engineering, it is argued that organisations 'constitute unique patterns of network relationships' which are shaped by embeddedness within a social/cultural context. Within such a

perspective, organisations are seen as distinct and unique, determined by the dynamics and interplay of internal/external networking patterns. Inter-organisational action is embedded within a social context and by drawing attention to the reservoir of social/personal relations as a means of exploring the extent of social embeddedness, the basis for a network approach is provided. The analysis undertaken within the thesis would support Morgan's (1990) view that:

> "organisations are constantly producing and being produced within a particular set of social relations, thus organisations are deeply rooted in a social context" (Morgan, 1990:224).

Chapter two discusses the traditional ontological view of networks as existing 'out there' outside of those doing the networking and the argument is made that this view is limiting and inhibitive of alternative 'ways of seeing'. Instead, the need to focus on epistemological concerns of network construction and how networks are made and constructed through day to day organising and sense-making processes is proposed. A processual perspective is proposed because it would allow a view of organisational networking patterns as constituted through ongoing social processes of interpretation and negotiation which cannot be adequately conceptualised in 'systems' terms.

Furthermore, Tichy (1981) suggests that organisational research incorporate a network perspective and they argue that very little network research has been done in terms of organisational behaviour for example, job satisfaction, leadership, motivation and argue for a network perspective for exploring these areas. A network perspective is important because it recognises that organisational behaviour and inter-organisational relationships are only meaningful in the context of the networks in which firms are located (Metcalfe, 1976). From the analysis of Farnsworth Engineering, it is found that a network approach is useful for exploring the organisation of social relations and that the structure of organisations can be usefully analysed in terms of the multiple networks of relationships which comprise the firm (Nohria & Eccles, 1992). Furthermore, analysing organisations from this perspective provides researchers with the opportunity of investigating the ways in which social relations are constructed

from the point of view of those doing the networking.

In chapter two, a social constructionist view of networking is proposed which emphasises the 'relational' aspects of exchange and networking through which knowledge is inter-subjectively shared and aligned. This relational view contrasts with the constructivist view of networking where the majority of the networking literature is located.   From a constructivist perspective, Dachler & Hosking (1995) argue that acts of knowing (or networking) are generated by the individual or subject. Relationships are analysed in a one-way direction (ie subject-object) whereby other people involved in the networking process are seen merely as passive 'others'. Networking patterns are characterised by density and diversity with a concern about who is going to be strategically useful. Talk and conversation through which meanings and understandings are created is seen as monologic and strategic, focusing on how the singular networker goes about building and constructing those network relations with people who will provide resources or information.   Managerial networking within this perspective is seen to be essential for achieving organisational tasks/goals and improving managerial efficiency.

A social constructionist view on the other hand emphasises the 'relational' aspect of exchange and networking where the locus of knowledge about networks is in relationships which are inter-subjectively shaped between people.   According to Dachler & Hosking (1995) networking from a relational perspective reflects a different perspective. Networking is seen from the point of view of all those involved in networking (rather than just one person). Emphasis is given to what Dachler & Hosking (1995) call 'multiloquing' which emphasises a concern with understanding the meanings of others' conversations by moving around other peoples' narratives. The accounts presented are viewed as expressions of relationships and transactions which people have with each other and meanings are enacted through 'multiloquing' as they engage in collectively generating descriptions. Greater receptivity is given to the multiple realities through which shared meaning and mutuality is worked out between organisational members. Creating social or organisational order is based on

(and is more effective) in emphasising participation, self organisation. There is greater emphasis on seeking mutuality, attachments, connectedness, working things through in processes of negotiation and alignment. Also, greater receptivity is given to the language and expressions used to talk about daily events.

The analysis of the field work findings in chapters five to seven identifies how values and ways of working which have been shaped by family issues are worked out inter-subjectively through interactions and connectedness. It is argued therefore that a relational view of organisational activities whereby sense-making meaning-making processes are investigated from the multiple points of view of those involved in interactions and networking patterns and the way individuals speak of these interactions, enhances understanding of organisational activities and processes. The ethnography has highlighted how networking patterns facilitate and enhance organising processes in the sense of working together, mucking in and being one happy family. This gives rise to a view of organisational networking as a 'conversational process of meaning-making' (Dachle, Hosking & Gergen 1995).

There have been some recent attempts to explore the complexity of the network phenomena as an academic approach or perspective in its own right (Easton & Axelsson (1992). They argue that:

> "for such a young paradigm, there exists a remarkable number of
> alternative views and perspectives... in addition, since these are views
> of the same phenomena from different angles, they are irreconcilable
> and cannot be integrated" (p.4).

What they attempt to do therefore, following Morgan (1986) and Mintzberg (1988) in organisation and strategy studies, is to introduce a metaphorical approach for exploring the complex network phenomena. Furthermore, Easton & Araujo (1991) suggest that the 'network' is a useful though limited metaphor to describe the complex interconnectedness of actors, resources and activities.

Easton and Araujo (1991) argue that

> " in describing the concept 'industrial systems as networks', as a metaphorical concept, we are suggesting that industrial systems must be understood and structured not in their own terms, but rather in terms of other concepts (namely those related to our own cognitive models of networks. Metaphor thus serves an epistemological device, generating a set of images for mapping one domain into another more complex domain" (p.10)

The use of metaphors which allows an exploration of the multiple (and overlapping) perspectives of organisational networking patterns is proposed as a useful epistemological principle for making sense of organisational activity. However, in view of the ontological perspective of networking patterns adopted in chapter two, their suggestion that metaphors provide a way of mapping an image of networks that exist "out there", is rejected.

However, the Morgan approach to metaphors, which reflects a social constructionist perspective whereby images, patterns, language, metaphor are ways through which people make sense, enact and create reality, is the most useful. The aim of social constructionist research therefore is to understand how members of a social group through participation in a social process, enact their realities and give meaning to those realities Rosen 1991 quoting Berger & Luckman (1967). To adapt the language of Pfeffer and Salancik (1976) to the context of networks, they argue that the events of the world (or in this context -networks), "do not present themselves to us with neat labels and interpretations.... but rather we give meaning to those events" (p.72). In this way, metaphor is not just a linguistic device for embellishing or decorating discourse, it is a primal means through which (people) forge relationships with the world (Morgan, 1993:277):

> "Metaphor has a formative impact on language, on the construction and embellishment of meaning, and on the development of theory and

knowledge of all kinds" (p.277)

As such, metaphor then belongs to the realm of creative imaginisation. However, the broad context of interpretation and meaning is grounded in the linguistic and other socially constructed frameworks within which experiments and knowledge are set (Morgan, 1993:278). The challenge for researchers, Morgan suggests, is to recognise that all knowledge (including scientific knowledge) is the product of an interpretive process and metaphors are a useful way of exploring the way in which knowledge is created. He argues that what is needed is more:

> "dynamic modes of understanding that show how knowledge results from some kind of implicit or explicit "conversation", "dialogue", "engagement" or interaction between the interests of people and the world in which they live" (Morgan, 1993:279)

Metaphors, it is argued, play an important role in helping people to construct their realities. So if organisational networking is seen as a discursive conversational process of meaning making (Dachle, Hosking & Gergen (1995), then there are many different ways of exploring what networking means to different people in different contexts. This is consistent with a social constructionist view of networking and enhances the conceptualisation of organisational networking developed within this thesis:

> **An organisation is a network of interactively shared meanings. Meanings and interpretations are shared, shaped and aligned through social networking processes. Collective meanings emerge which are distinctive of the firm, reflecting the ways in which such meanings and relational patterns become 'realised' to shape organisational action and practices. Collective meanings and actions become institutionalised within the organisation through social relational patterns and the development of a common language.**

Having established this conceptualisation of organisational networking, the task of the next section is to establish the extent to which a network approach enhances understanding processes of strategic change. Chapter three argues that only limited research has been undertaken to explore how organisational networking patterns facilitate or obstruct strategic change and entrepreneurial processes within small firms in particular. Thus, it is argued that an in-depth understanding of inter and intra-organisational networking practices is useful for exploring the strategic orientation of small firms particularly in their ability to be entrepreneurial, to manage change, transitions and renewal. For the next section, a discussion of entrepreneurship is undertaken in relation to the attempts within Farnsworth to 'professionalise' the business.

'Professionalising' the Business

The ethnography reports how management changes involving both family and non-family members, maturity within the steel fabrications market and recession combined to provide the company with its most difficult time. It also recounts the decision to bring in 'professional management' and how this decision and process of recruiting a suitable General Manager unfolded over time.

In chapter five, Lenny's comments concerning the need to professionalise the business are recounted. Whilst he talks about *"wanting someone who had been trained as a professional manager who could see clearly into the future and put systems in place and ensure that we were going to get a steady profitable business"*, Lenny expresses his view of what professionalising the business means to him. It is noted also that he sees this 'professionalism' as coming from outside the business. It is recounted how Lenny talks about his expectations of a 'professional' manager: as having been trained; as having skills/information/knowledge of the industry and market; as being able to 'see into the future' and put the company back in the right direction. In speaking of Darren, Lenny comments that 'they speak the same language', implying that he and Darren have a shared understanding of change management and how it could be

implemented within Farnsworth. The irony is that as a result of Lenny's views espousing the need to professionalise the business, his search for professional management saw many management changes within Farnsworth. The search for 'professionalism' led to the external recruitment of one manager whose actions, in conjunction with the onset of the recession and other market changes, it is suggested, nearly led to the closure of the company. However, with the cautious recruitment of Darren, it could be argued that the company is possibly more entrepreneurial now than it has been for the last 10-20 years.

A framework that is often used to describe the 'entrepreneurial' and 'family' aspects of the business is provided by Gartner (1990). In this framework, Gartner suggests that entrepreneurial and family issues be set up as separate and distinct 'domains' in order to analyse the entrepreneurial activities of the family firm. The assumption being that family businesses and entrepreneurialism do not mix and are placed at either end of a continuum. This framework follows the traditional 'systems' view of family business where family firms are seen as too emotional to be entrepreneurial. To a great extent, as discussed earlier, debates concerning the separation of entrepreneurial or 'business' principles from 'family' issues have moved on since publication of the Gartner framework. For example, Gibb Dyer and Handler (1994) explore how family and entrepreneurial dynamics intersect in the life of an entrepreneurial venture. They explore different stages in the life of an entrepreneurial venture from family involvement in the entrepreneur's start-up activities through to involvement of family members in ownership and succession. Also, Hoy & Verser (1994) suggest that it is important to explore the nature of the overlap between entrepreneurship and family business. However, it is interesting to point out that the separation of entrepreneurial from family aspects would have provided a plausible framework for discussing the activities of Farnsworth Engineering prior to the recruitment of the professional manager.

Prior to Darren Craven's appointment, Farnsworth Engineering could not be described in any way as entrepreneurial. The company was entrenched in a declining market, tied to one customer, they had no product of their own, they were losing turnover,

they had no knowledge of markets beyond their local one, they undertook no marketing, they had not invested substantially in new machinery or attempted to create new production methods. From this perspective, the lack of entrepreneurialism which could also be related to the demands being made of the business by the family members, suggests that a framework emphasising the separation of 'family' from 'entrepreneurial' issues within Farnsworth would have gone a long way in enhancing understanding of why the firm was not very entrepreneurial.

However, since 1994, a new General Manager has been appointed with the remit of undertaking massive strategic renewal and re-structuring. As was identified in the case study, Darren Craven is driving the renewal process within the company and they are attempting to be far more entrepreneurial in the sense of revitalising the organisation, moving into new markets, building new external relational contacts, creating new internal relational structures and introducing new systems and ways of working. In short, Darren talks about 'getting control over the business' which infers bringing in formalising processes, creating order and providing leadership within this close-knit, informally organised and fairly chaotic small firm. In view of Lenny's espoused views on 'professionalising' the business and the important role of Darren as 'professional manager' recruited into a business which was seeing the erosion of the role of family members, a discussion of the distinctiveness of 'professional management' is now undertaken.

In chapter three a discussion of entrepreneurship identifies that whilst creative and innovative processes feature particularly strongly in the early start up phases of new, small firms, these processes are not unique to small businesses. Instead, entrepreneurial processes occur in most firms in varying degrees and intensities at different times. It is suggested that in existing large or small firms entrepreneurial processes can be present to a greater or lesser extent, but they are constructed within a specific context and have a different meaning. Following this line of argument, reference is made to Watson (1995a) who argues that it is 'fatal to make a distinction between entrepreneurship as an activity that is distinct from managing'. Watson is critical of the distinction often made between entrepreneurial and professional

management as this, he argues, distracts the debate about what constitutes competent management in different organisational contexts.

In a discussion about entrepreneurship Johannisson (1993) presents a similar view where he argues against developing a 'substantive theory of entrepreneurship'. Instead, he suggests that researching entrepreneurship means trying to understand creative acts and by focusing on the way managers/entrepreneurs organise their ventures and the creative process itself, rather than its outcome, is the way in which entrepreneurial principles may be identified. Thus, it is suggested that entrepreneurialism within existing business is about developing innovative practices and can be as much about orientation to change (Gibb & Scott, 1985). So that the role of strategic management in small firms is concerned with "the entrepreneurial work of the organisation, with organisational renewal and growth" (Pettigrew, 1992 representing Schendel & Hofer, 1979:11)

However, in discussions about 'professionalising' the family business a distinction is made between the professional manager and family managers. Dyer (1989) elaborates how professional managers are assumed to be driven by motives other than sustaining the family. They are deemed to be experts in management and are more concerned with gaining accomplishments on the basis of performance rather than family ties. In addition, Schein (1983) suggests that they are more likely to belong to voluntary associations and have world views that differ from founder-owners. In contrast the owner of a family firm is assumed to be less able as a manager, too closely tied to the activities of the organisation to be 'objective' about business decisions and is more concerned with pursuing the interests of the family rather than the business. In this way, family owner-managers are seen to be less entrepreneurial and therefore when it comes to strategic issues, a 'professional manager' is required to import the necessary changes. However, whilst this is true of some family firms as Dyer (1989) found in his sample of firms, this is not a point that can be generalised to all family firms. As discussed earlier, it could be argued that what is needed therefore in family business studies are more sophisticated conceptualisations which can investigate the roles and tasks of managers (whether family or otherwise) as they talk about their approach to

work in the family firm. But, in analysing Farnsworth Engineering the family management and professional management emerge as distinct 'domains' or ways of organising which contrast and conflict with each other.

Within this case study the family business and the professional manager were set up as two separate domains in view of the Chairman's deliberate intention to 'bring in a professional manager' and in view of the different style which characterised Darren's approach to work. As has been illustrated, the other organisational members are closely tied to each other in familiar and recognised ways of working and ways of speaking which gives them a sense of identity which is distinctive of them and different from Darren. The distinction within the ethnography between the two 'domains' emerged from what individuals were saying to me in interviews and also from my attempt to make sense of the ways in which the shop floor workers, the managers, the owner, the original founder and the new professional manager speak about and make sense of the turnaround from a declining business. From the analysis of Farnsworth Engineering, it can be argued, to use the Burns & Stalker (1961) language, that the family business domain is more sharply characterised by unstructured, informal, organismic, individualist ways of working. The Professional Manager domain is more characterised by formal, structured, mechanistic ways of working. But ironically, it is not the informal, organismic aspects of the family business which are shaping entrepreneurial processes and practices, but it is with the professional manager with his formal, almost mechanistic structures that entrepreneurial activities are being introduced within the company.

In analysing Farnsworth Engineering, it was found that individuals made sense of their approach in the light of past ways of working. These past ways of working embody values which Fernie and his sons had previously introduced and legitimised within the business. For this case study separating the family and the professional management 'domains' was found to be a useful framework for making sense of how individuals within the firm spoke of their approach to work and interactions with each other. However, in developing conceptual frameworks for studying family business, it is important to take into account the intentionality within the business to become,

erode or displace family members as this has an important impact upon the ownership/management structure. In this sense it is possible to accept Hoy & Verser's (1994) claim that strategic management occurs at the intersection of family, management and ownership systems. But also that strategic management, which is concerned with the entrepreneurial and renewal aspects of the firm, is a collective social and cultural process.

In principle, it is suggested that a more meaningful approach to investigating management within family firms should avoid 'professional' and 'family' distinctions but in practice, this was found difficult to do. In the case of this firm, the distinction was more of an issue because they were undergoing extensive strategic change and so it could be argued that in times when a company is moving from management/ownership structure to another, that the distinctive domains actually enhance understanding - in that they help to force out differences, obstacles and mobilising processes within the company.

Conceptualising Strategic Change

In chapter three approaches to managing change are discussed. These approaches range from: structural (emphasising organisational design, organisational-environment fit); behavioural (where interpersonal skills, training and communication are emphasised to improve organisational development); and cultural (where change is seen as best understood from the point of view of how people in organisations interpret and make sense of change processes (Wilson, 1992). The chapter also discusses the processual, planned, emergent and implementational aspects of strategic change within the organisation. It is suggested that Wilson (1992) has developed a useful framework for integrating these four approaches to examining the what, why and how change occurs in organisations. For the purpose of this thesis, the framework is adapted to give greater emphasis to the two dominant theories-in-use which Wilson (1992) argues dominates the study of strategic change (table 5, chapter three). This is because the 'systemic-conflict' and 'strategic choice' theories on strategic change are found to be consistent with debates on managing strategy, entrepreneurialism and

networking within the firm. In addition, the constructionist and constructivist views of organisational networking which emerge at the end of chapter two also reflect the dominance of these two perspectives. As such, these dominant 'theories in use' become an integrating device for bringing together the different debates and perspectives on managing strategic change within small firms. Within the framework processual-implementational and emergent-planned views of change provide further analytical categories. The task now is to analyse the usefulness of the strategic change framework for analysing the findings from the case study.

Chapter seven introduced the change agent, his background and approach to change management. It also discussed Darren's view of himself, his distinctive competencies and skills that he brings to his job as a change agent. Emerging from the account of Darren's career is an image of self-motivated manager with wide international experience of purchasing, sourcing and supply partnerships. He presents an image of himself as a 'doer', someone who not only has good ideas and visions about how things should be run in an organisation but he recounts many success stories that reflect his ability to implement his plans and achieve positive results. It is inferred that Darren likes to be in control, he speaks his mind and does not mind upsetting people. He presents an image of himself at work as a professional and dynamic manager and enjoys talking about his eclectic 'change agent' skills and his ability to collect information, store it and bring aspects out when relevant. The analysis also included a discussion of how Darren retrospectively makes sense of his approach to change management and in dialogue with a management trainer he finds the language which accords with his view of himself and which he recognises and realises in his approach to work. Throughout the accounts, Darren talks of his ability to shape, craft, get things done, import visions and solutions in order to inspire change. He is positive about the future of Farnsworth, has faith in his ability to turn the company around and for Farnsworth to reach its potential. Chapter seven outlines the changes that Darren has made to the company and the process through which he tries to push the changes through.

Many contradictions are identified between the way Darren talks of his approach to

change and the way his peers speak about the change process. Darren speaks about the role of a general manager as "*.... someone who can balance, who can obtain in people that work for him whatever it is he wants the company to do........ has to be able to, not persuade or indoctrinate but to reflect the views that you want...*" He refers to 'traditional managers as being structured, institutionalised' and cites that large organisations in particular don't want what he calls 'free thinkers' because 'they are petrified if they let people have their head, they will cause chaos'.

In the analysis, it is inferred from this that Darren espouses the importance of a more consensual approach to change management. He implies that other large organisations want traditional mangers and he, by definition, does not. He implies that he wants free thinkers, people who will use their head and this applies also to his view of how he consults with people. He speaks about how he tries to:

: '*get out amongst the lads*';
: '*to learn about the jobs and build a power base*'
: '*get to know people*'.

He also speaks at length about how to change the company without 'bringing a bureaucracy' and about 'trying to make sense of the business' and 'organise things', 'making sure everyone knows where they are'. He uses expressions like:

: '*trying to understand the business*';
: '*trying to educate them*';
: '*not being unreasonable with people*', '*open up*', '*put it to them*';
: '*ask them to tell me the pitfalls*', '*pushing out information*', : '*trying to be fair and straight with them*'.

In short he espouses the importance of empowering:

: '*make them feel it is their company*';
: '*giving them the big picture*';

: he has faith in them 'this fab shop has got the ability to be one of the best'.

He suggests that he 'is fair with them and straight with them.... never promis[ing] anything unless I can deliver it and be[ing] honest'...'giv[ing] them small things, you cannot take all of the time you have to give them something'.

If this is related to the earlier discussion of the planned and emergent narratives which dominate strategic change processes, it can be argued that Darren speaks about his approach to change management in ways that can be considered as more 'consensual'. For example, there is greater emphasis on building mutuality, participation of everyone in the change process implying that change is democratically agreed and emerges through shared consensus. In this way, it is suggested that the social/cultural/political context of the organisation is acknowledged in the change process by encouraging participation. The implication also is that in terms of managing change, there is more emphasis on building mutuality and encouraging self organisation whereby individuals have control over their working activities and are provided with opportunities to shape their work in ways they want.

A further inference which can be identified arising from Darren's accounts is that Darren has an end state or vision which he wants to achieve but he implies that he does not have a planned view of how to get there. He speaks about 'putting ideas to them', 'encouraging them to test and mould ideas' which he then modifies. This suggests that although he has an objective he wants to achieve, the steps and process through which he gets to that stage are unplanned and emergent occurring in small steps. This implies that managers assimilate and communicate on any planned changes and have the opportunity to mould and shape policies as they emerge.

However, in spite of speaking of himself as 'one of the lads' and trying to 'understand the business and so on, several conflicting reports emerged throughout the interviews which conflicted sharply with Darren's view of himself. One aspect of dissent was related to the (common) knowledge that Darren was not trained as an engineer. From what people say, it can be inferred that individuals do not think that he can properly

understand the job. Also, because of previous management changes, he is not always considered as being permanent and is referred to as being a 'puppet' or 'Mickey Mouse leader' in that he has to answer to Lenny. Also, individuals referred to him as only having been here for 'five minutes' when he had in fact been with the company for over a year which indicates the length of time needed to be accepted by existing organisational members.

The mixed reports made about the General Manager are also extended to the different policies and structures he has tried to introduce which they criticise has 'intervention preventing them from getting on with their jobs'. Also, in speaking about their daily work, there was a common theme which dominated much of the narrative concerning organisational changes. The theme is labelled 'nobody will listen' in view of the extensive references to a sense of powerlessness, alienation and lack of consultation. This suggests that in spite of the espoused consensual view discussed above, the way in which Darren's colleagues speak about their interpretation of his approach and the changes implies that the change strategy is not as 'consensual' as is implied above. This claim is supported by identifying some of the language used by Darren:

'I sacked the buyer - he was hopeless'

'as long as he is saving money he is employed'

'getting the prices of suppliers down'

'everybody was upset about this but I just enforced this'

'I got away with that'

'It has saved me money'

'it took me nearly two weeks to get that in'

'What I've done is educate them'

'I needed to get control over the business'

'I needed to impose some structure'

If these expressions are used to gain insights as to why organisational members speak about the changes in the negative way that they do, it is possible to allude to a more coercive approach to change. This suggests that from their perspective change

management in the company is much about characterised by the language of control, organising, modifying and 'shaping' individuals. From Darren's account of how he tried to 'impose some structure' and introducing many structural changes from organisational structure, wage/holiday structure, appraisal system and computer system, it can be inferred that he is attempting to put structures, strategies and policies in place with the aim of shaping and modifying behaviour. From the analysis of the accounts, it can be argued that the narrative which best describes change processes as talked about by colleagues in Farnsworth is that of 'dominance', emphasising that the change process needs organising, planning and implementation.

The final section in chapter seven analyses the comments made alluding to a sense of powerlessness which contrasts very much with the empowered view that Lenny and Darren espouse. From this it is inferred that organisational members are hostile and resentful towards Darren and the changes he is trying to implement and that there is only limited consultation which is meaningful to those that work there. Through the interviews, individuals make explicit their resistance to change and their wish to not only sustain things as they are but also their tendency to hark back to the 'way we were' and the 'good old days' when there was more work, they were left to get on with things, they knew where they stood and they were not constantly being subjected to new managers, new structures and new ways of working. Even though some of the memories of the past are shaped by kickings and shoutings from Fernie, it is suggested that these memories are reframed as memories of a time of stability where everyone knew where they stood. As of today, individuals are still trying to make sense of and frame new practices within their understanding and knowledge of past events.

A final point to be emphasised with reference to the framework developed to analyse strategic change, is that both planned and emergent approaches can be identified as characterising the change process within Farnsworth Engineering depending upon whose speech is being analysed. As such, evidence of both dominance narratives, reflecting the need to organise or control, and also partnership narratives reflecting more consensual, emergent, self-organising expressions of change management, can

be identified.

The same argument is relevant for analysis of the systemic-conflict and 'strategic-choice' approaches to change management in that it is possible to identify a number of assumptions which reflect a combination of external and internal driving forces for change. For example, cells one and three (in table 5, chapter three) identify approaches which see change as resulting from internal and external tensions/ contradictions within the organisational system which determine and provide the impetus for change (systemic-conflict). Assumptions underlying approaches to change management from this perspective see change as resulting from the conflicting needs and demands of the organisational system which is shaped by socio-political antecedent factors. In order to be flexible and get good access to resources/information, approaches from this perspective suggest that the structure, strategies and markets of firms should be changed.

In contrast, assumptions underpinning strategic choice perspectives as reflected in cells three and four (of table 5, chapter three) highlight that the driving force for change comes from key individuals who interpret market information and make choices about how the organisation can/should change in order to respond to these pressures/opportunities/threats.

In analysing Farnsworth Engineering in the light of this conceptual framework, change can be identified as occurring as a result of a combination of all these driving forces. The driving forces for change stem from a number of sources. The first is a declining market for steel fabrications, increased competition leading to saturation in the market for supply of small scale fabrications, large firm restructuring (fewer customers) and increasing prices of steel. Other motives stem from internal forces such as established ways of working and the dominance of alliances/cliques which can potentially inhibit the move towards a new market orientation (this can of course work the other way too). But also, it is possible to identify the role of key individuals in facilitating change and the role of individuals in resisting change, suggesting the need to focus change policies on individuals but requiring a 'change agent' to 'engineer'

change.

From this analysis, it can be argued that the strategic change framework as presented in table (5) is a useful one for creating approaches and a language for analysing strategic change process. The categories in the framework were presented as 'ideal' types and what the analysis shows is that a mixture of driving forces and features can be identified when applied to Farnsworth Engineering which reflect assumptions from each of the analytical categories. However, had only one perspective been analysed ie the change agent, the narrative that would have dominated would have been partnership, consensus etc. Had the organisational members' perspective been taken, it would have emphasised a more dominant view of change. Firstly, what is important then is an approach to strategic change which adopts an interpretive approach. Interpretive approaches in organisational change, Wilson (1992) suggests, have been given only limited attention. As the above analysis shows, it is important to understand change from the point of view of those involved in shaping and experiencing the change process. But the main challenge for the organisational change researcher is to examine the ways in which strategic change processes are shaped by underlying patterns of thinking, reflection and how these patterns are worked out relationally. It is with this challenge in mind that a social constructionist view of strategic change, which emphasises the relational aspects of change (rather than structure and/or individuals), is proposed.

Organisational Networking and Strategic Change - A Social Constructionist Perspective

As outlined at the end of chapter two a social constructionist view of organisational networking is facilitated by exploring the ongoing processes of meaning creation as they are constructed by individuals in dialogue and conversations with other work colleagues. Emphasis is given to understanding the meanings of others' conversations by moving around other peoples' narratives. Processes of managerial thinking and action are shaped through the continuous interaction and alignment of internal and external relational networking patterns. In some instances, a way of thinking (which

incorporates individual meanings, perceptions, interpretations) is articulated to another person within the organisation. Through a process of strategic interactionism, they talk things through and their thinking is modified, aligned or reinforced to take account of each other's views and interpretations. The outcome of this interaction might be translated into a stream of actions. However, a decision might be to delay action for a future time. It is through these continuous processes of thinking, reflection, interaction, exchange within the organisational setting that strategic action emerges. When a number of these processes, interactions, alignments are happening simultaneously, patterns begin to emerge. When these processes, interactions and alignment involving the same people occur over a number of years, familiarity of each others' ways of thinking/seeing begins to shape the thinking, reflection, interaction and action process. Also over time, certain actions and ways of seeing become routinised as familiar and accepted ways. These accepted routines become institutionalised and embedded as part of the culture of the firm. These ways and routines are 'learned' and recognised by organisational members as being important for getting on and fitting in to the company. As such relational patterns, which in the beginning were merely a vehicle for working out and shaping ideas, then become shaped by the requirements and demands of 'the organisation'.

As a result of continuous interactions over time, mutual connectedness and sharing of meanings and attachments can occur between organisational members. This potentially provides a basis for conflict resolution, encouraging deeper bonds and increasing interdependence and leading to mutual trust and reinforcement of the relationship (Johanson & Mattson, 1986). This means that whilst initially the relationship is voluntary, later the relationship becomes mutually embedding by the development of a set of mutual obligations and reciprocal relations which tie people into relationships. Seabright, Levinthal and Fichman (1992) argue that attachment is a distinctive attribute of inter-organisational relationships. Furthermore, the emphasis on sharing meanings, seeking mutuality, connectedness and a trading away of differences - are explored more successfully from a relational perspective. The evolution and dissolution of attachments in relational patterns is a dynamic feature with wide potential to influence strategic change.

The strategic change process then, is a dynamic one - it occurs not exists (Pettigrew, 1992:5). It emerges in small, disjointed steps through a fluid process of organisational action, thinking and learning and is more a process 'of becoming' than 'of being'. Collectively, these processes of thinking, reflection and action become unique and distinctive to the firm in the way that they converge, diverge and are shaped through internal and networking patterns. Whilst all networking patterns embody strategic capabilities, they become more purposefully strategic, when the patterns are 'taken account of' (and therefore legitimised) by the organisational members. This can be done in a positive way (taking the company forward in a new direction) and it can be more negative (whereby organisational members use their knowledge of certain networking patterns to obstruct creativity, entrepreneurialism and processes of strategic renewal). It has to be stated however, that strategic interactions, as they occur within the organisation and with external stakeholders, take place within a broader economic, political and technological context. This means that as interactions occur between stakeholders in the firm, they are imbued with interpretations and understandings of 'the market', the industry, prices, technical knowledge and political knowledge (about who is who, who works where, what connections do people have).

Organisational change is widely discussed but, in spite of this and the many change models which have appeared in the literature, there is still room for more sophisticated conceptual approaches for understanding the complex processes of change. In particular, there are only limited frameworks available for understanding transition processes in small firms. In the case of small firms, where there is often an informal or simple organisational structure, it could be argued that the management of organisational transitions is a simple and uncomplicated process. On the other hand, in a small firm with close and multiplex ties between long serving organisational members, transitional processes could also be very complex. If the small business is also a family business in which family relationships influence decision-making processes and the management of the company (Leach, 1994), then the transition process is potentially even more complex.

From the analysis of this thesis, it is argued that a social constructionist view of organisational networking provides a sophisticated analytical framework for understanding how and why change occurs in organisations. A network perspective, it is suggested, provides the study with valuable concepts and discourse for analysing strategic change. In particular, the view of organisational networking as 'conversational processes of meaning making' makes an important contribution to the study of organisations. It is argued that this thesis makes an important contribution to knowledge and understanding of strategic change in organisations in general and of small, family firms in particular.

Reflections - Looking Back and Looking Forward

This section is concerned with commenting on the main strengths and weakness of the conceptual and methodological approach adopted within the thesis. The first part examines the three main conceptual themes and the ways in which they advance understanding of small firms. Five key claims are made. The discussion concludes with some suggestions for further research.

1. Building bridges across perspectives on Networks

In chapter one reference is made to how the network concept has become very popular over the last ten years and has given rise to a diversity of definitions and perspectives. Reference is made to the European and American studies and approaches to the study of networks and one of the criticisms made is their lack of recognition of each other's contribution to the study of networks. One of the main contributions of the thesis is to draw from both approaches in order to build connections between the American and European perspective on networks and extend this into a more advanced conceptual framework.

2. Networking - 'A conversational process of meaning-making'

The main outcome from this thesis is that networking is a social and ongoing process of relating. Whilst, Easton & Araujo (1991) argue that the network is a useful though limited metaphor to describe connectedness of actors, activities and resources, the discussions from this thesis suggest that the network is a useful metaphor or epistemological device for exploring what people say about the interactions they have with others in and around the firm. In particular, a network perspective facilitates study of the processes of 'multi-loquing' and conversations which are an expression of the relationships and interactions which people have with each other. In this way, a view of organisational networking is developed which is concerned with investigating

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patterns of meanings and knowledge as they are inter-subjectively shared and shaped through social relational processes. It is suggested that it is possible to refer to organisational networking as "a conversational process of meaning making" (Dachler, Hosking & Gurgen 1994:20) or discursive process through which meanings are shared and shaped. As a consequence of discursive processes of meaning-making (or networking), patterns of collective meanings emerge which are distinctive of the firm. Such patterns of collective meaning reflect the ways in which such meanings and relational patterns become 'realised' to shape organisational action and practices. Also, collective meanings and actions become institutionalised within the organisation through social relational patterns and the development of a common language.

3. Narratives of Organisational Networking and Strategic Change

The third claim being made within the thesis is that a social constructionist view of networking has the potential to facilitate the study and understanding of organisational processes such as entrepreneurship, organisational change, family dynamics and strategy-making in firms as they are interpreted and spoken of by organisational members. It is argued that frameworks for analysing strategic change have only limited value for understanding how and why change occurs in organisations. By analysing the spoken words of members of Farnsworth Engineering, it is suggested that planned, implementational and emergent perspectives on strategic change can be all be identified. What is important therefore, when analysing why, how and what change occurs in organisations, is to examine different interpretations of change and how this change is spoken and made sense of by those working in the company. It is also important to examine the ways in which strategic change processes are shaped by underlying patterns of thinking/reflection and how these patterns are shaped by networking relations.

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4. Family - a concept for exploring interactivity of its members

The fourth claim relates to family issues in the business. From analysis of comments concerning the role of the family in the workplace of Farnsworth Engineering, it is suggested that organisational members and senior family owners speak of the 'family' as an impediment to the efficient running of the business. Many individuals commented on how 'looking after' family interests and hobbies prevented them from 'doing their job properly'. It is suggested that intra-organisational relationships are shaped to a great extent by knowledge of the owning-managing 'family' and past events. It is shown that there is a strong link between family and organisation of the work place. However, the relationship is a complex one and in trying to conceptualise the family business, what is important is to examine how the concept of family is interpreted and 'drawn upon' by organisational members. In this way, family is not a static concept, it is continually being shaped and modified, aligned by family and non-family members alike. Family, therefore, becomes a way of exploring the interactivity of its members.

5. Ethnography - Yielding Deeper Insights

The final claim made is that the ethnographic approach adopted for the field work has significantly enhanced the depth and richness of the research material. It also allowed the researcher to drift and formulate concepts as they emerged in the field and to be able to take account of un-expected themes and issues. In this sense the field work material is grounded in the language, day to day concerns, issues and problems of individuals of Farnsworth Engineering. At the same time, the field work material is interpreted and made sense of by the researcher with a selection of pre-selected concepts. Although the research process took much longer because of the need to take account of the themes and issues that were dominating the interviews, it is possible to argue that much richer and deeper insights were yielded concerning different meanings of family, change and so on and how these meanings are shared, shaped and

aligned through social relational discursive processes. Also, in attempting to integrate the three main themes of the thesis, I was led to a relational view of networking which advanced the conceptual framework considerably.

Some Limitations of the adopted approach

1. Searching for Networks - Drifting in the Research Setting and Getting Lost

Whilst investigating Farnsworth Engineering and getting close to individuals in the company through ethnographic inquiry was very rewarding, in other ways this approach yielded some frustrations. More detailed reference to these frustrations is made in chapter four. But the main problem centred on the initial approach to the research which was more concerned with developing theories and definitions of networks or inter/intra- organisational relationships. This meant that, armed with lots of definitions and hypothesis about formal/informal/instrumental/emergent networks, I went into the research setting looking for these types of networks and when it proved difficult to 'find' such networks this meant a reconsideration of my perspective on networks. However, it was this 'problem' that led me to social constructionism. But still, in trying to understand meanings and interpretations as they are worked out relationally through interactions with other people, this meant that I had little control over what I was researching. I had to become much more 'grounded' in my approach and be prepared to 'drift and formulate' concepts (Rosen, 1991) in the research setting, listening to informants accounts to generate research questions and concept. Whilst this led in the end to much richer insights, it did mean collecting, transcribing and analysing between 40-50,000 words of ethnographic detail in order to develop these insights. The only problem being that at many times I felt lost in the material and being close to the research setting meant that it was difficult to extract main themes, issues and events from the day to day detail.

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2. *Making Sense and Integrating Emergent Themes*

A further implication was that many of the emergent themes were unexpected. For example, whilst I knew that Farnsworth Engineering was a family firm before my first visit there, I had little conception at the time how important this might be in shaping what happens within the company. Therefore, the family issue became an emergent theme that I needed to investigate. This meant, for example, going into the family business literature in order to understand past research approaches and studies. Also, the issue of strategic change was an emergent issue because at the time I was visiting the company they had just recruited the 'professional' manager and this dominated much of the talk within the company. Thus, it was necessary to incorporate and develop an understanding of the organisational change literature and frameworks used to study strategic change. This prolonged the time spent developing the conceptual framework and in embracing these emergent themes, this presented me with the most difficult conceptual problem - how to integrate the three main areas of the literature within a conceptual framework that had organisational networks at the heart. A social constructionist perspective provided the way forward but in all this added one year to the time period of the thesis.

3. *Transcribing and Organising the Field Work Material*

A further issue related to the choice of whether to use a computer software package to analyse the field work material. I spent some time reading Miles & Huberman (1994) and investigating a number of software packages (such as NUDIST and Ethnograph). However, in the end I decided not to use a computer package to 'analyse' the material and so I manually cut and pasted all of the transcripts into main and sub themes. In this way I felt I had more control over the field work material and in working on it in this way meant that I was, at the same, time working through a number of themes which (although I did not realise it at the time) eventually formed the main constructs of the ethnographic story. The disadvantage of ethnographic inquiry, as many

researchers have noted, is the amount of time needed to work in the setting for the important themes and issues to emerge and take shape - and the amount of time needed to make sense of all the field work notes.

4. *Generalising from a Single Case Study*

The depth of data and length of time spent working with Farnsworth Engineering also meant that it was very difficult, in terms of time, to undertake comparative work with a similar, perhaps non-family firm. The disadvantage of this is that limited to a single case study, it is impossible to make generalisations to other firms. In an ideal world (with lots of time, resources and long periods of access to relevant firms), it would have enhanced the findings to have been able to make comparisons with other firms. However, the quality of the analytical generalisations is much greater and future research can always embrace additional comparative studies.

Next Steps

1. *Are family firms 'special'?*

From the findings of this thesis, the claim is not made that family firms are special. This relates to the point made in chapter eight that the inter-personal linkages, emotional bondings and affectionate ties that develop between organisational members are aspects that characterise all firms whether large or small, family or non-family. However, it is suggested that in firms where family relationships are being played out in the business, these relationships have a longer history of shared experiences that have developed outside of the business through childhood and adolescence. For this reason relationships within a family firm, it is suggested, are more embedded and complex involving implicit knowledge of something 'beyond' the business context and it is this 'something' that implicitly shapes the way things are done within the business. The next step therefore is to examine this claim by

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undertaking comparative research of family and non-family firms alike.

2. *Extend the study to include comparative data from other family firms*

Having undertaken such in depth research, in approaching the next phase of field work, I would attempt to be more focused in the research questions, particularly with a view to investigating whether the 'glue' is thicker in family firms. The review of the family business literature in chapter three identified that there is wide scope and potential for developing studies of family businesses that draw more specifically from UK family firms and which attempt to study the in-depth processes that characterise family firms in particular. As Kanter (1989) suggests the "intersection of the institutions of 'economy' and 'family' as connected organisers of experience and systems of social relations are virtually ignored (p.77). Investigating the relationships and processes through the 'family organises as business' and ways in which the 'business is organised as family' is a neglected area of management studies and yet it is an important one. Having undertaken in depth research, in approaching the next phase of field work, I would attempt to be more focused in the research questions. In particular, the intention would be to examine the above claim that relationships in family firms are more embedded.

3. *Extend the study to include comparative data from similar non-family firms*

A complementary area of research, therefore, would be to examine more closely the link between family and organisation of the work place by extending the study to non-family firms in order to examine how the concept of 'family' is a way of exploring interactivity and the way dialogues, sense making and meanings are shaped by an understanding of family relationships. Gersick, Davis & McCollom (1997) claim that one of the most important dilemmas facing family firms is "not so much the competing demands of the family and business systems as a whole but is more to do

with the distinctions between owners and managers within the firm (p.5) but it would also be interesting to investigate the extent to which in non-family small firms, inter-personal relations between owners/mangers become equally as embedded over time. This would provide opportunities for examining the concept of 'family' and what it means to the individuals that work for a company. But in particular how the concept of 'family' is interpreted, understood and 'drawn upon' by organisational members in dialogue, interactions, conversations and conversations with each other.

4. *A Network Perspective on Organisations - Future Directions*

In terms of a research agenda for network studies, it is hoped that the value of a network perspective of organisations is persuasive. Suggestions for future research embracing the view of networking as a conversational or discursive process could enhance understanding of the following areas:

a) Career progression and development, absenteeism, labour turnover, dismissals and recruitment, leadership, succession issues;

b) Gender roles and differences in male and female networking patterns and how this relates to job satisfaction, career progression.

c) The role of networking as a practice for facilitating mentoring or support activities within an organisation;

d) Organisational cultures, ethics and working practices;

e) The role of networking in internationalisation activities and the development of cooperative or cross-border alliance activity;

f) Finally, there is much scope for examining the ways in which an understanding of networking practices can be used as a basis for shaping Government policy initiatives concerned with promoting inter-firm networking. A future challenge relates to the contribution a social constructionist view of organisational networking can make to inform and shape local economic policies to encourage inter-organisational networking.

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