The Speed of Strategic Decision-Making
and the Impact of Corporate Involvement at the SBU-Level

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St. Gallen, den 17. Juni 2002

Der Rektor:

Prof. Dr. Peter Gomez
Dedicated to both of my parents
with love and gratitude
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<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACM</td>
<td>autocratic control mode (corporate involvement mode)</td>
</tr>
<tr>
<td>AD</td>
<td>arenas for discourse (corporate involvement mean)</td>
</tr>
<tr>
<td>ASO</td>
<td>aligning, structuring, organizing</td>
</tr>
<tr>
<td>CCI</td>
<td>corporate content-related involvement (corporate involvement mean)</td>
</tr>
<tr>
<td>CE</td>
<td>coercive enforcement (corporate involvement mean)</td>
</tr>
<tr>
<td>CEO</td>
<td>chief executive officer</td>
</tr>
<tr>
<td>CFO</td>
<td>chief financial officer</td>
</tr>
<tr>
<td>CFROI</td>
<td>cash flow return on investment</td>
</tr>
<tr>
<td>CI</td>
<td>HR-/career incentives (corporate involvement mean)</td>
</tr>
<tr>
<td>CM</td>
<td>corporate management</td>
</tr>
<tr>
<td>CNTX</td>
<td>contextual conditions (grounded theory coding paradigm)</td>
</tr>
<tr>
<td>COND</td>
<td>causal conditions (grounded theory coding paradigm)</td>
</tr>
<tr>
<td>CONS</td>
<td>consequences (grounded theory coding paradigm)</td>
</tr>
<tr>
<td>CPI</td>
<td>corporate process-related involvement (corporate involvement mean)</td>
</tr>
<tr>
<td>CR</td>
<td>conflict resolution (corporate involvement mean)</td>
</tr>
<tr>
<td>CTO</td>
<td>chief technology officer</td>
</tr>
<tr>
<td>e.g.</td>
<td>exempli gratia (for example)</td>
</tr>
<tr>
<td>EBIT</td>
<td>earnings before interest and tax</td>
</tr>
<tr>
<td>EMEA</td>
<td>Europe, the Middle East, Africa</td>
</tr>
<tr>
<td>FDS</td>
<td>fast decision speed</td>
</tr>
<tr>
<td>FDS</td>
<td>not fast decision speed</td>
</tr>
<tr>
<td>FI</td>
<td>financial incentives (corporate involvement mean)</td>
</tr>
<tr>
<td>HR</td>
<td>human resources</td>
</tr>
<tr>
<td>HYM</td>
<td>hybrid mode (corporate involvement mode)</td>
</tr>
<tr>
<td>i.e.</td>
<td>id est (that is)</td>
</tr>
<tr>
<td>IATA</td>
<td>International Air Transport Association</td>
</tr>
<tr>
<td>ICV</td>
<td>internal corporate venturing</td>
</tr>
<tr>
<td>IMG</td>
<td>Information Management Group AG</td>
</tr>
<tr>
<td>INTV</td>
<td>intervening conditions (grounded theory coding paradigm)</td>
</tr>
<tr>
<td>IT</td>
<td>initiating, triggering</td>
</tr>
<tr>
<td>MANOVA</td>
<td>multivariate analysis of variance</td>
</tr>
<tr>
<td>MRO</td>
<td>maintenance, repair, overhaul</td>
</tr>
<tr>
<td>Multi-SSA</td>
<td>SSA (t.o.p.GRID) representing multiple interview responses</td>
</tr>
</tbody>
</table>
Abbreviations

n.a.  not applicable, not available

OPG  objectives, prospects, future goals

PAM  participative appreciation mode (corporate involvement mode)

PHEN  phenomenon of observation (grounded theory coding paradigm)

PIC  participating, involving, caring

ROE  return on equity

ROI  return on investment

SBU  strategic business unit

SDS  slow decision speed

SN  sanctioning (corporate involvement mean)

SSA  self-structure analysis (t.o.p.GRID)

STRAT  strategic actions (grounded theory coding paradigm)

TD  target definition (corporate involvement mean)

TMT  top management team

VP  vice president

vs.  versus
The Speed of Strategic Decision-Making and the Impact of Corporate Involvement at the SBU-level
1 Introduction

1.1 Research problem

This dissertation, which is rooted in the field of strategy process research, focuses on variations in the speed of strategic decision-making at the SBU-level due to effects of varying corporate involvement activities. Numerous contributions to the realm of strategic management acknowledge the importance of strategic decision speed. The theoretical literature suggests that the speed of strategic decision-making represents a vital influencing factor of organizational processes and a critical success factor of firm performance. However, the concept of strategic decision speed still remains largely unrelated to the specificity of strategic business unit-levels (SBUs). Here, the dissertation seeks to contribute to the realm of strategic decision-making by referring and applying the established concept of strategic decision speed to the strategic business unit-level.

Relevant fields of literature refer to the aspect of corporate involvement from multiple perspectives. Despite the asserted importance of corporate involvement behavior at varying organizational levels, existing conceptualizations generally remain partial, fragmented and unspecified in reference to specific characteristics and effects at the SBU-level. The dissertation seeks to fill this gap by inductively deriving and developing a thorough and integrative conceptualization of various corporate involvement activities at the SBU-level.

Furthermore, the dissertation’s research focus lies on integrating the concept of SBU-decision speed with the notion of corporate involvement at the strategic business unit-level. The following three aspects characterize the dissertation’s general research problem:

1. The speed of strategic decision-making at the SBU-level: strategic decision speed is deductively introduced to the dissertation and inductively substantiated with regard to the strategic business unit-level.

2. Corporate involvement at the SBU-level: corporate involvement activities at the SBU-level are inductively integrated and conceptualized.
3. Effects of corporate involvement behavior on SBU-decision speed: the speed of strategic decision-making at the SBU-level is examined with regard to the impact of corporate involvement behavior.

1.1.1 Research objective and research question

The general research objective of this dissertation is to develop a mid-range theory on the link between corporate involvement and decision speed at the SBU-level. This is carried out by analyzing and exploring the impact of varying forms of corporate involvement activities on SBU-decision-making processes and the speed thereof. The main focus is put on variations in strategic decision speed at the SBU-level in relation to perceived effects of corporate involvement behavior. The underlying assumption of the dissertation’s approach is that selected corporate involvement activities have distinctly different effects on the speed of strategic decision-making at the SBU-level, which in turn has a vital effect on the organization and its strategic and economic outcomes. The following figure broadly visualizes the dissertation’s overall research objective in reference to decision speed and corporate involvement.

![Diagram](image)

**Figure 1-1: The dissertation’s research objective**

According to the research objective displayed above, the formal research question addressed in this dissertation is:

*How and why does corporate involvement at the strategic business unit-level (SBU) affect the speed of strategic decision-making?*
This research question is essential in order to develop a thorough understanding of corporate involvement behavior and its effects on SBU-decision speed. In terms of the chronological sequence of the dissertation’s research approach, the ‘how-part’ of the research question is dealt with first; i.e. the primary focus of analysis lies on a descriptive illustration of how the dissertation’s conceptualization of corporate involvement in the form of nine means and three modes affects SBU-decision speed. This first aspect of the research question, referred to as the ‘how-part’ is mainly focused on in the chapters 6.2 (‘Corporate involvement means and their impact on decision speed’) and 7.1 (‘Corporate involvement modes and their impact on decision speed’). Subsequent to the illustration of the ‘how-part’, the dissertation focuses on the ‘why-part’ of the research question; i.e. main emphasis is put on proposing an explanatory reasoning of the detected effects of corporate involvement on strategic decision speed. This second aspect of the research question, referred to as the ‘why-part’ is primarily focused on in chapter 7.2 (‘Towards a theoretical model of corporate involvement and decision speed’), which integrates the ‘how-’ and ‘why-part’ of the research question in a mid-range theoretical model referred to as the dissertation’s 4C-model.

1.1.2 Theoretical relevance and contribution

This dissertation builds on numerous theoretical contributions and research conducted in the field of strategy process.1 Besides providing the underlying basis of literature, research gaps remain and further contributions are called for. By advancing the concept of strategic decision speed, the dissertation’s research seeks to contribute to the realm of strategic decision-making and to fill gaps within the general strategy process research. The depiction of the theoretical relevance as well as the contributions anticipated by the dissertation are organized along the following three issues.

1. Speed of strategic decision-making: the dissertation further progresses existing research on decision speed and determinants thereof. The concept of strategic decision speed is well established in the literature. However, contributions concerned with strategic decision speed at the SBU-level remain unidentified. The

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1 For a detailed elaboration of relevant literatures in reference to the dissertation’s research approach, see: chapter 2 (‘Core concepts and relevant literatures’).
dissertation applies ‘strategic decision speed’ to the SBU-level, substantiates existing antecedents and inductively derives additional determinants relevant to the speed of strategic decision-making at the SBU-level.

2. Corporate involvement at the strategic business unit-level: the dissertation advances and integrates research on corporate involvement behavior and identifies links between corporate involvement and SBU-decision speed. An integrative view of corporate involvement and other influential activities is called for in the literature. However, only few contributions provide such an integrative view of corporate involvement. Furthermore, specific research on the link between corporate involvement and its effects on SBU-decision speed remains unexplored in the literature. The dissertation inductively conceptualizes and integrates various forms of corporate involvement at the SBU-level and detects specific effects on SBU-decision speed.

3. Methodological approach: the dissertation generates valuable, precise and more profound insights related to decision speed and corporate involvement by applying a distinctive methodological approach that is more open to qualitative data analysis and reflective theory development. Research emphasizing aspects of strategic decision speed are traditionally conducted on the basis of quantitative methodologies and the testing of deductively introduced variables through e.g. regression analyses. Therefore, traditional methodologies applied in relation to the continuing study of decision speed do not promote the development of rich and insightful theories. The dissertation seeks to fill this gap by applying a combination of grounded theory and t.o.p.GRID methodologies, which allow for the development of accurate and well-substantiated mid-range theories on the link between corporate involvement and strategic decision speed at the SBU-level.

The following paragraphs elaborate the above three issues, their theoretical relevance as well as the corresponding contribution this dissertation seeks to provide. The dissertation’s overall goal to contribute to the scientific field and to reduce existing research gaps legitimizes the realization of this dissertation.

The first aspect (1) relates to the speed of strategic decision-making, which is deeply rooted in the relevant fields of literature (Bourgeois/Eisenhardt, 1988; Eisenhardt, 1989a; Eisenhardt/Bourgeois, 1988; Judge/Miller, 1991; Rajagopalan/Rasheed/Datta, 1993; Wally/Baum, 1994). However, most existing contributions refer the concept of
decision speed to top or corporate management levels as opposed to strategic business unit-levels (Dess/Origer, 1987; Fredrickson, 1984; Hassard, 1988; Schweiger/Sandberg/Rechner, 1989). The dissertation strongly links to the concept of decision speed brought forward by Eisenhardt (1989a) and extends it by putting it in the context of corporate-SBU interactions. Thus, Eisenhardt’s conceptualization (1989a) of strategic decision speed is expanded by specifically relating the concept of decision speed to the SBU-level. However, Eisenhardt’s work also leaves unanswered questions such as are there antecedents of decision speed other than those Eisenhardt identified, i.e. the use of real-time information, the presence of experienced counselors, the number of simultaneous alternatives considered, skill in conflict resolution and the degree to which decisions are integrated. By focusing on the effects of corporate involvement and corporate-SBU interactions, established antecedents of decision speed are confirmed and substantiated through the dissertation’s empirical data. In addition to Eisenhardt’s determinants, other relevant determinants of decision speed are inductively derived and established in the dissertation. Hereby, derived individual means and aggregated modes of corporate involvement support and go beyond established decision speed determinants in the literature. Furthermore, the dissertation broadens Eisenhardt’s view on ‘high velocity environments’ by generally focusing on internal interactions between corporate and SBU managers across dynamic industries. Thus, with regard to the speed of strategic decision-making, the dissertation further progresses existing research to the strategic business unit-level, empirically substantiates presented antecedents and inductively obtains new and insightful determinants of decision speed.

The second aspect (2) relates to corporate involvement at the strategic business unit-level, which is observed in the literature from a multitude of perspectives (Collis/Montgomery, 1998; Floyd/Wooldridge, 2000; Goold/Campbell, 1987a/b; Goold/Campbell/Alexander, 1994; Gupta, 1987; Hambrick, 1981; Hambrick/Mason, 1984; Hart, 1992; Shrivastava/Grant, 1985; Wiersema/Bantel, 1992, 1993). Due to existing conceptualizations of corporate involvement remaining fractional and incomplete, the theoretical literature emphasizes the importance of corporate involvement and calls for an integrative view (Burgelman, 1983a/b; Hart, 1992; Hart/Banbury, 1994). The dissertation seeks to reduce this gap by inductively deriving and developing a thorough and integrative conceptualization of corporate involvement.
at the SBU-level in the form of the following nine individual corporate involvement means: (1) financial incentives, (2) target definition, (3) corporate process-related involvement, (4) HR- / career incentives, (5) arenas for discourse, (6) coercive enforcement, (7) sanctioning, (8) conflict resolution and (9) corporate content-related involvement. The derived nine means of corporate involvement link to the dissertation’s concept of strategic decision speed and hereby substantiate existing determinants as well as introduce new, inductively derived determinants of decision speed in the literature (Eisenhardt, 1989a). The dissertation furthermore contributes to the field by aggregating the nine derived means to the following three modes of corporate involvement: (1) autocratic control, (2) participative appreciation and (3) hybrid, which explain aggregated effects of corporate involvement behavior on the speed of strategic decision-making at the SBU-level. The dissertation’s modes of corporate involvement provide new empirical insights on corporate management roles and contribute to the existing stream of research on typologies, modes and patterns of organizational interactions between different hierarchical levels within strategy-making processes (Bourgeois/Brodwin, 1984; Davids, 1995; Ehin, 1995; Fairhurst/Green/Courtright, 1995; Hart, 1992; Hart/Banbury, 1994; Mintzberg, 1973a, 1978; Shrivastava/Grant, 1985; Singh, 1982). Thus, with regard to corporate involvement at the strategic business unit-level, the dissertation advances existing research by inductively conceptualizing and integrating various forms of corporate involvement at the SBU-level and identifying their effects as determinants of SBU-decision speed.

The third aspect (3) relates to the dissertation’s unique methodological approach, which differs from the traditionally applied deductive and quantitative methodology heavily relying on theory testing. Due to the strong focus of customary decision speed research on the deductive introduction of established variables and the testing of existing theoretical models, a lack of insightful theories and explanations for the effects of corporate involvement behavior on decision speed is existent in the literature. In the dissertation, the relationship between corporate involvement and strategic decision speed is analyzed according to the qualitative methodologies of grounded theorizing and repertory-/t.o.pGRID, which allows broadening the focus of analysis and developing effective, accurate and deeply rooted insights into the effects of corporate involvement on the speed of strategic decision-making. The dissertation’s
unique methodological approach provides a close proximity to empirical data; greater flexibility of handling data and changes in data; and unbiased, impartial and therefore more realistic and representative conceptualizations of corporate involvement and its impact on strategic decision speed at the SBU-level. Hereby, the interplay between grounded theorizing and t.o.pGRID facilitates the collection of data, the development of corporate involvement-related codes and concepts from the empirical data, the integration of categories and the analysis of the impact of corporate involvement on SBU-decision speed. The dissertation’s methodological approach therefore, overcomes existing rigidities and inflexibilities of current decision speed research and simultaneously contributes to the scientific field by securing the openness and close proximity to the data required for developing well-grounded mid-range theories.² Thus, concerning the methodological approach of exploring decision speed and corporate involvement, the dissertation overcomes disadvantages of traditional testing research methodologies and provides a new role model for the development of profound, accurate and deeply grounded mid-range theories on the link between corporate involvement and strategic decision speed at the SBU-level.

1.1.3 Practical relevance and contribution

The heterogeneous and dynamic nature of the competitive business environment has strongly increased over recent time. Product and corporate life cycles are constantly shortened; markets are increasingly global and interrelations between organizational members have become more and more complex. Dealing with issues of strategy-making processes has become increasingly difficult due to intensifying management constraints in terms of time and workload. These developments explain the rise in attention towards the speed of strategic decision-making (Eisenhardt, 1989a; Judge/Miller, 1991; Stalk, 1988; Stalk/Hout, 1990; Thomas, 1990).

Consequently, these circumstances have led to intensified efforts of decentralization and dividing of management responsibilities and duties. One example for this process of dividing management responsibilities is the distinction between the corporate management level (CM) and the strategic business unit-level (SBU). This

² For a detailed elaboration of the dissertation’s methodological approach, see: chapter 4 (‘Methodology and data analysis’).
organizational separation between CM and SBU has a considerable impact on the
development of the corporation and the organizational managers involved. Campbell
(1999: 43) emphasizes the decentralization of responsibilities and highlights the
managerial and strategic importance of time-related issues at the organizational link
between corporate management and strategic business units.

“In the [strategic] planning process, just as with any other interaction between
the corporate center and the business units, corporate executives must carefully
manage their involvement. This is because they have one huge disadvantage:
they have less time to master the details of any individual business. It’s fair to
say that corporate executives can spend only 10% or less of their time on
advising business unit teams that are spending 100% of their time considering
the same issues.”

This quotation illuminates that strategic actions and assignments initiated at the
corporate management level have an enormous influence on the actions taken at
strategic business unit-levels. Therefore, corporate involvement activities are
perceived as vital for providing direction, guidelines, goals, structures and systems to
SBU managers, allowing them in turn to fulfill their assigned tasks and
responsibilities. Hence, it is essential to investigate what constitutes varying forms of
corporate involvement behavior and how they are perceived to affect organizational
processes and decision speed at the SBU-level. The dissertation thoroughly
conceptualizes the notion of corporate involvement and retrieves valuable findings on
how certain types of corporate involvement activities affect the speed of strategic
decision-making. This makes internal management processes more comprehensible
and more manageable. Thus, the dissertation contributes to the practical field of
management by providing a profound understanding of how corporate involvement
activities at the SBU-level have to be set up in order to affect SBU-decision speed in a
preferred way. In summary, the dissertation contributes by suggesting how corporate
managers should shape their involvement activities at SBU-levels in order to enhance
SBU-decision speed, which according to Eisenhardt (1989a: 544) represents a critical
success factor of firm performance:

“Overall, fast decision-making allows decision makers to keep pace with
change and is linked to strong performance”
1.2 Outline of the dissertation

The main objective of this dissertation is to develop a mid-range theory on the link between corporate involvement and decision speed at the SBU-level. This is carried out along eight chapters, which are briefly outlined in the following paragraphs.

In *chapter 1* (*Introduction*) a general description of the research problem is given. The overall research objective is presented and the dissertation’s research question is stated. Subsequently, the theoretical and practical relevance of the dissertation’s research problem is depicted and the dissertation’s contributions to both fields are illuminated.

*Chapter 2* (*Core concepts and relevant literatures*) presents a comprehensive review of the relevant literatures in reference to the dissertation’s core concepts of the speed of strategic decision-making (2.1) and corporate involvement at the SBU-level (2.2). The analysis and evaluation of the relevant literatures focus on the decision-making literature in the realm of strategy process research and the literature on corporate and top management influences. Each subchapter is individually summarized and an overall synthesis and conclusion is provided (2.3).

In *chapter 3* (*The empirical setting*) the selection of the dissertation’s research sites is outlined and justified (3.1). The individual research companies are briefly introduced, typical interactions between corporate and SBU-levels are illustrated and relevant criteria of the site selection are examined with regard to the individual company. Furthermore, the dissertation’s data collection is illustrated with regards to primary and secondary data sources (3.2).

*Chapter 4* (*Methodology and data analysis*) begins with a general evaluation of quantitative and qualitative methodologies (4.1). Relevant aspects of each methodological approach are discussed in light of the dissertation’s research problem and the fit between the qualitative methodology and the research problem is justified. In a further step, the relevance of grounded theory and t.o.p.GRID, their fundamental characteristics and their general methodological work process are presented (4.2 and 4.3). Subsequently, criteria for evaluating the quality of the methodological design are circumscribed and existing limitations are discussed.
In chapter 5 (‘Corporate involvement and decision speed in light of the empirical data’) the general work process of grounded theory is specifically applied to the dissertation’s inductive conceptualization of corporate involvement and the empirical substantiation of the relevance of decision speed within the dissertation’s data material (5.1). Subsequently, the general work process of t.o.p.GRID is specifically applied to link the dissertation’s conceptualization of corporate involvement to decision speed at the SBU-level (5.2). In a final step, a synthesis and evaluation is provided discussing the dissertation’s overall work process and assessing the interplay between grounded theory and t.o.p.GRID on the basis of the previously defined evaluation criteria (5.3).

In chapter 6 (‘Results – individual links between corporate involvement and decision speed’) the empirical findings are presented in reference to the dissertation’s nine individual means of corporate involvement and their perceived effects on SBU-decision speed. First, strategic decision speed is conceptualized within the data material and the overall findings are displayed according to a t.o.p.GRID visualization (6.1). Subsequently, each individual corporate involvement mean is conceptualized, discussed and linked to the relevant fields of literature. Furthermore, individual effects of corporate involvement on organizational levels as well as with regard to SBU-decision speed are presented and elaborated. Findings for each corporate involvement mean with regard to effects on decision speed are discussed, evaluated and summarized (6.2). In a final step, a summary and discussion is presented which provides reiterations of the empirical conceptualizations as well as a condensed version of the findings on corporate involvement mean–decision speed links (6.3).

In chapter 7 (‘Results – aggregated links between corporate involvement and decision speed’) the empirical findings are presented with regard to the dissertation’s three aggregated modes of corporate involvement and their perceived effects on SBU-decision speed. First, the empirical conceptualization of the corporate involvement modes is depicted and findings are presented in reference to their association to SBU-decision speed. Furthermore, relevant literatures linking to the modes are circumscribed (7.1). Subsequently, findings are integrated and a mid-range theoretical model is presented (7.2). In a summary and discussion, the empirical conceptualizations are reiterated, the overall findings on aggregated links between
corporate involvement and decision speed are condensed and propositions are presented (7.3).

Chapter 8 (‘Conclusions and directions for further research’) concludes the dissertation by providing implications of the findings for the realm of theory (8.1) and management practice (8.2). Furthermore, directions for further research are outlined and discussed concerning the extension of the dissertation’s core concepts, the application of quantitative methods for the purpose of testing propositions and the control for key contingencies.

The following figure visualizes the outline of this dissertation.
**Figure 1-2: Outline of the dissertation**

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2 Core concepts and relevant literatures

In this chapter the relevant fields of literature relating to the dissertation’s research agenda are presented and reviewed. The dissertation is based on the following two main concepts: (1) the speed of strategic decision-making at the SBU-level and (2) varying forms of corporate involvement behavior at the SBU-level. The first concept of strategic decision speed is generally introduced to the dissertation from the relevant fields of literature and subsequently inductively refined, conceptualized and elaborated within the dissertation’s empirical data material. As opposed to this combined deductive and inductive concept of decision speed, the second concept of corporate involvement behavior at the SBU-level is inductively derived and conceptualized on the basis of the dissertation’s empirical data and methodological procedures. In this chapter, the two streams of research pointed out above are put into context of the relevant literatures. Each of these two streams of research are separately reviewed and critically analyzed. The growing body of research on the speed of strategic decision-making is reviewed first. Thereafter, numerous studies examining the corporate involvement behavior, and relationships and interactions between corporate and SBU management levels are scrutinized. Finally, a brief summary is provided, which synthesizes the various literatures and attempts to tie the two streams in the perspective of the dissertation. The following figure displays the outline of this chapter as well as its key contents.
2.1 The speed of strategic decision-making

In this section, the concept of decision speed is tied into the context of the relevant literatures. First, after a brief outline of the strategic management literature is presented, decision-making is rooted in the field of strategy process research. Underlying theoretical perspectives, i.e. strategic decision-making models are illustrated and referred to the dissertation’s design. Subsequently, the decision-making process is elaborated in greater detail, i.e. the decision process outcome of decision speed and its influencing factors are discussed. Finally, the key points of the discussion are reviewed and summarized.

2.1.1 Introduction: strategy content and strategy process

Since the beginnings of strategic management research in the 1960s, there has been a distinction between strategy content and strategy process, which has been introduced to the scientific field by authors such as Andrews (1971), Ansoff (1965) and Chandler...
Content-related strategy research deals with the relationships between the environment and the firm and focuses on issues such as competitive strategies, portfolio analyses, market-barriers of entry and exit or diversification strategies. A significant group of researchers (e.g. Chakravarthy/Doz, 1992; Porter, 1980) supports and defends the distinction between content and process research by arguing that it facilitates the analysis of two distinct and therefore separable phenomena. However, other significant representatives of the scientific community argue against the distinction between strategy content and process research, since it artificially separates phenomena that are intertwined in the practical business environment (Chakravarthy/White, 2000; Huff/Reger, 1987; Ketchen/Thomas/McDaniel, 1996; Lechner/Müller-Stewens, 2000; Pettigrew, 1992a, 1997). Strategy process research has become more and more important in the field of strategic management research. The process-related stream of research pays more attention to strategically relevant events taking place within corporate entities. Key emphasis is put on the question how the formation of strategy takes place, which deals with issues such as the impact of strategic planning efforts or the influence of decision-making. Eisenhardt/Zbaracki (1992: 17) illustrate the shift of the attention away from strategy content research, toward a more process-oriented strategic management research:

“Change swept strategic management research during the past decade. Triggered by the work of Miles/Snow (1978) and later Porter (1980, 1985), strategic content research flourished. The next decade may bring a similar revolution to strategic process.”

2.1.2 Strategy process and decision-making

Numerous authors have pointed out the need to categorize and structure the contributions in the field of strategy process research (Chakravarthy/Lorange, 1991; Rouleau/Séguin, 1995). Lechner/Müller-Stewens (2000) suggest a twofold approach to categorizing the strategy process field: (1) The first dimension is the historical view of strategy process research, under which they include the classical strategy process

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3 For a historical overview of the distinction between strategy content and process, see: Müller-Stewens/Lechner (2001), chapter 1.1.1.

For an illustration of the increased importance of strategy process research, see: Schendel, 1992a/b
model brought forward by the Harvard Business School (Andrews, 1971) and later rigorously criticized by Mintzberg (1990, 1994), Noda/Bower (1996) and Quinn (1995). (2) The second dimension the authors arrange along specific phenomena such as -among others- alternative strategy process models (Bower, 1970; Burgelman, 1983a/b, 1985, 1996; Hart/Banbury, 1994, Mintzberg/Waters, 1985; Quinn, 1980), organizational agenda building (Dutton, 1995; Dutton/Duncan, 1987) and strategic decision-making (Eisenhardt, 1999; March, 1994; Papadakis/Lioukas/Chambers, 1998; Pinfield, 1986; Rajagopalan/Rasheed/Datta, 1993; Rajagopalan/Rasheed/Datta/Spreitzer, 1997; Schwenk, 1995). Thus, strategic decision-making is profoundly rooted in the field of strategy process research. This is also pointed out by Eisenhardt/Zbaracki (1992: 17) who call attention to the fact that strategic decision-making is an essential part of strategic process research:

“Central among strategic process issues is strategic decision making. It is crucial because it involves those fundamental decisions, which shape the course of a firm. During the past 30 years, many researchers have recognized the centrality of the topic by tackling issues in strategic and more generally, organizational decision making.”

2.1.3 Strategic decision-making models

Theoretical models of strategic decision processes aim at depicting and explaining the process of strategic decision-making. Since they are based on varying notions of organizations, their conceptualization of decision processes can differ significantly. Strategic decision models and classificatory schemes have been suggested by Astley/Axelsson/Butler/Hickson/Wilson (1982), Allison (1971), Chaffee (1985), Fahey (1981), Hart (1992), Hitt/Tyler (1991), Lyles/Thomas (1988), Mintzberg (1973a) and Rajagopalan/Rasheed/Datta (1993). The most distinct differentiation is drawn between two opposed models: (1) the rational-analytical, normative model of strategic decision-making and (2) the adaptive, external control, i.e. contingency model (Hitt/Tyler, 1991; Rajagopalan/Rasheed/Datta, 1993).

(1) **Rational-analytical models** assume a linear and systematic process of decision behavior and a clear focus on pre-defined goals (Lechner/Müller-Stewens, 2000). Rajagopalan/Rasheed/Datta (1993: 350 – 351) state that:
“rational models present the image of an integrated, well-coordinated decision making body, making reasoned choices from clearly defined alternatives.”

According to the rational-analytical model, decisions follow the three basic phases of (a) problem identification, (b) development and (c) selection (Eisenhardt/Zbaracki, 1992). In the classic rational model of decision-making these three stages occur sequentially. However, Mintzberg/Raisinghani/Theoret (1976) have introduced a variation of the classic rational model in an Administrative Science Quarterly study (also: Hickson/Butler/Cray/Mallory/Wilson, 1986; Nutt, 1976). The authors Mintzberg/Raisinghani/Theoret (1976) recognize that decisions have unique patterns of solution but that the phases have no sequential relationship. Rather, within each phase, decisions follow various routines: decision recognition and diagnosis routines during the (a) identification phase, search and design routines during the (b) development phase and screen, evaluation-choice and authorization routines during the (c) selection phase. Referring to the issue of decision phase sequence, Eisenhardt/Zbaracki (1992: 22) provide empirical support for the statement by Mintzberg/Raisinghani/Theoret (1976):

“Empirical research clearly supports (…) that many decisions follow the basic phases of problem identification, development and selection, but that they cycle through the various stages, frequently repeating, often going deeper, and always following different paths in fits and starts.”

Similar to the three phases above, other authors conceptualize the rational process of decision-making as involving three intertwined activities: (a) intelligence activity, (b) design activity and (c) choice activity (Ebert/Mitchell, 1975; March/Simon, 1958; Simon, 1960; Wally/Baum, 1994):

a) **Intelligence activity** refers to the identification phase and deals with scanning that involves gathering and processing information. This information gathering provides cues for recognizing potential decision situations and formulating alternatives.

b) **Design activity** refers to the development phase: decision makers analyze the formulated alternatives to determine likely outcomes and identify alternative outcomes that will satisfy the needs or goals associated with decisions.

c) **Choice activity** refers to the selection phase: decision makers make judgments, choosing among the identified alternatives.
External control models focus on decision processes related to firms adapting to environmental circumstances (Lechner/Müller-Stewens, 2000). These contingency models have grown from two separate theory bases: organization theory and industrial organization economics (Hitt/Tyler, 1991). Organization theorists (e.g. Duncan, 1972; Emery/Trist, 1965; Lawrence/Lorsch, 1969) assumed the environment to be a source of critical contingencies. They proposed that contingencies such as environmental turbulence had major effects on organizations. Industrial organization economics has an analogous notion as organization theory. Industrial economists such as Bain (1956), Hirshleifer (1988) and Scherer (1980) assume that an industry’s structure significantly determines the profitability in the industry. Thus, environmental factors serve as vital influencing factors on strategic decisions (Barney/Ouchi, 1986). The external control perspective is frequently considered as highly deterministic (Bourgeois, 1984) since strategic decisions are largely constrained by the external environment.

While the rational-analytical model and the external control model seem to be in strong conflict, supporters of each have been moving closer together (Hrebiniak/Joyce, 1985). The number of authors who argue for elements of both models has increased (Astley/Van de Ven, 1983; Finkelstein, 1988; Hitt/Tyler, 1991; Keats/Hitt, 1988). In addition, several decision-making models have emerged which are positioned between the two conflicting models described above (Eisenhardt/Zbaracki, 1992; Hitt/Tyler, 1991; Wally/Baum, 1994). Furthermore, specific aspects of decision-making models have been selected and more closely examined (Eisenhardt/Zbaracki, 1992; Rajagopalan/Rasheed/Datta, 1993). Some of these advances are briefly presented in the following.

Strategic choice is positioned between the rational-analytical and the external control model since it assumes that top managers can make decisions regarding the goals, domains, technologies and structures of a firm (Child, 1972; Hitt/Tyler, 1991). Parallel to these choice processes, an organization is also dependent on its environment and has to adjust to the prevalent circumstances (Keats/Hitt, 1988). Hitt/Tyler (1991: 331) describe the strategic choice model as follows:

“This perspective suggests that organizations select and interpret their environment, respond to those elements that are fixed, and attempt to shape the remaining elements to their advantage.”
This quotation clearly represents the mutual influence of the rational and the external control model of strategic decision-making.

Within *politics- and power-oriented models* of decision-making differing individual and power-related interests and resulting conflict and compromise processes are at the center of observation (Lechner/Müller-Stewens, 2000; Narayanan/Fahey, 1982; Pettigrew, 1973; Tushman, 1977). Rajagopalan/Rasheed/Datta (1993: 351) describe these political models as:

“*behavioral models in which decisions are viewed as an outcome of bargaining and negotiations among individuals and organizational subunits with conflicting perceptions, personal stakes and unequal power.*”

Hence, the underlying basis of the political model is that decisions are the result of a process in which decision makers with different goals come together through coalitions and negotiate over what decisions succeed (Eisenhardt/Zbaracki, 1992).

According to the *garbage can model* of decision-making -first articulated by Cohen/March/Olsen (1972)- decisions result from an unplanned convergence of the following four streams (Eisenhardt/Zbaracki, 1992): (1) choice opportunities, i.e. occasions which call for a decision, (2) solutions, i.e. answers to problems, (3) participants, i.e. people paying attention to problems and (4) problems, i.e. concerns of individuals within and outside of the organization. Eisenhardt/Zbaracki (1992: 27) state:

“*Thus, decision-making occurs in a stochastic meeting of choices looking for problems, problems looking for choices, solutions looking for problems to answer, and decision makers looking for something to decide.*”

As opposed to the rational-analytical and the power-oriented models of decision-making, the garbage can model focuses on the importance of chance. Thus, decisions primarily depend on timing and random combinations of opportunities (Levitt/Nass, 1989).

Besides the decision-making models presented here, i.e. the rational-analytical model, the external control (contingency) model, the strategic choice model, the politics and power model and the garbage can model, some authors also refer to the *organizational (bureaucratic) model* of decision-making, which focuses on the effects of
organizational routines, systems and structures on decision-making processes (Fredrickson, 1985; Lechner/Müller-Stewens, 2000; Rajagopalan/Rasheed/Datta, 1993).

Each decision-making model has different implications for the roles and functions managers have. Since managerial behavior is directly linked to the dissertation’s concept of corporate involvement, it has been vital for the course of this work to analyze each model and its implications with regard to the dissertation’s design. The normative model of strategic decision-making suggests that executives take an active, influencing role by examining the firm’s external environment and internal conditions and using the set of objective criteria derived from these analyses to decide on the strategy (Hitt/Tyler, 1991). The implications of the rational-analytical model are congruent with the dissertation’s concept of corporate involvement and its impact on strategic decision-making at the SBU-level, i.e. corporate managers actively influence the SBU by e.g. defining specific managerial targets, thus affecting the decision-making process at the SBU-level. In contrast, the external control model perceives the manager to be largely dependent on environmental conditions with little autonomy for independent actions. According to Hitt/Tyler (1991: 327) contingency models view managers as follows:

“External control proponents tend to view managers as unimportant, inactive, or, at most, symbolic (Astley/Van de Ven, 1983; Pfeffer/Salancik, 1974). This view emphasizes the definite limits to which autonomous strategic choice is available and the limited ability of organizations to adapt to different niches within the environment (Aldrich, 1979).”

Since the focus of this dissertation is put on different forms of corporate involvement activities, environmental contingencies are not at the focal point of observation and thus contingency models of decision-making are inappropriate for this design. The dissertation’s design also integrates aspects of the strategic choice model since it emphasizes the potential effects that (corporate) managers have on strategic decision-making. Some of the early theorists (e.g. Andrews, 1971; Child, 1972) who preferred the rational or classic models of strategic decision-making recognized that perceptual and evaluational processes played a role in strategic decisions. Hitt/Tyler (1991: 331) argue:
“that people, not organizations, make decisions and that the decisions depend on prior processes of human perception and evaluation (Child, 1972).”

This is a significant notion for the dissertation’s concept of corporate involvement and its impact on SBU-decision speed, since corporate involvement activities are decisions, which are perceived and experienced by SBU managers and therefore in turn, affect their decisions and the speed of their decision-making processes. As opposed to the sequential approach, numerous authors focus on process dimensions instead (e.g., Bourgeois/Eisenhardt, 1988; Hickson/Butler/Cray/Mallory/Wilson, 1986; Lyles, 1987; Miller, 1987a; Stein, 1980). One of these process dimensions is represented in the increasing amount of research on political issues in decision-making. The vital influence of political aspects on decision-making has led to an integration of the power-oriented model in the dissertation. Hence, the political model of decision-making has been specifically considered in the dissertation and applies to four of the dissertation’s means of corporate involvement: (1) coercive enforcement, (2) conflict resolution, (3) sanctioning and (4) arenas for discourse.

Eisenhardt/Zbaracki (1992) conclude from a review of the strategic decision-making literature that strategic decision-makers are boundedly rational, that power wins battles of choice and that chance matters. The garbage can model of strategic decision-making provides fruitful insights on how strategic decisions arise from the combination of different choice opportunities, solutions, participants involved and problems to be solved. Respondents throughout the dissertation’s research site were asked to describe how different means of corporate involvement affected SBU-decision-making. In light of the garbage can model and the explicit consideration of (stochastic) chance, the respondents’ descriptions of their decision processes allow for a more profound understanding of what factors and issues come together in decision-making processes. The organizational (bureaucratic) model of decision-making focuses on the influence of organizational routines, systems and installed structures on a firm’s decision-making process. This perspective is considered in the dissertation and specifically applies to three means of corporate involvement: (1) financial incentives, (2) human resource and career incentives and (3) defined targets.

Concluding from the depiction of varying decision-making models, the dissertation integrates and includes aspects of all of them, excluding the contingency model. The model of external control is inappropriate since managerial activities are heavily
constrained by environmental factors. In addition, the focus of the dissertation’s approach is put on internal processes influencing decision speed. The rational and the strategic choice model are vital since they account for purposeful managerial actions (corporate involvement). The power-oriented model refers to specific means of corporate involvement derived from the data material such as corporate conflict resolution and corporate coercive enforcement. The garbage can model accounts for aspects of chance and random combinations of decision-making aspects, which presents a vital approach to the description of corporate influence on SBU-decision speed. The organizational decision-making model is relevant in terms of the varying organizational systems and structures installed such as financial incentive systems or human resource and career incentive systems.

2.1.4 Decision process outcome: the speed of strategic decisions

Rajagopalan/Rasheed/Datta (1993) develop an integrative framework of strategic decision processes based on a thorough literature review. This framework is linked to the decision-making models described above. Rajagopalan/Rasheed/Datta (1993: 353) refer to the phasal approach of the rational-analytical model of decision-making by stating:

“It is important to note that our definition of the strategic decision process subsumes all the different phases in the strategic decision process identified in earlier studies such as problem/issue identification, alternative generation, evaluation, and selection (Fredrickson, 1984; Mintzberg/Raisinghani/Theoret, 1976). (...) Our focus is on the characteristics of the strategic decision process as a whole rather than on the characteristics of individual phases.”

The authors differentiate between environmental, organizational and decision-specific factors, which in combination with decision process characteristics influence process outcomes. According to the vast amount of literature reviewed Rajagopalan/Rasheed/Datta (1993: 352) subsume the following aspects under process outcomes: (1) decision quality (Schweiger/Sandberg/Ragan, 1986; Schweiger/Sandberg/Rechner, 1989; Schweiger/Sandberg, 1989; Schwenk, 1990), (2) timeliness and speed of the decision (Bourgeois/Eisenhardt, 1988; Eisenhardt, 1989a; Eisenhardt/Bourgeois, 1988; Judge/Miler, 1991; Schilit/Paine, 1987), (3) level of commitment from individual and organizational units (Carter, 1971; Eisenhardt,
1989a; Wooldridge/Floyd, 1990) and (4) organizational learning (Butler/Davies/Pike/Sharp, 1991; Dutton/Duncan, 1987).

Figure 2-2: Integrative framework of strategic decision processes according to Rajagopalan/Rasheed/Datta

Rajagopalan/Rasheed/Datta (1993: 369) state:

“Timeliness, speed of decision making, acceptability to organizational members, adaptiveness to change, and the extent of organizational learning
appear to be useful indicators of strategic decision process outcomes (Quinn/Rohrbaugh, 1983)."

Besides these four conceptualizations of process outcomes, other outcome perspectives are also found in the literature. Dean/Sharfman (1996) refer to the process outcome of decision effectiveness, which they characterize as the extent to which decisions result in desired outcomes. The authors (1996: 371) point out the importance of decision effectiveness and the corresponding gap in the field:

“The theoretical literature suggests that both decision processes and environmental factors shape strategic decision effectiveness. (...) The link between strategic decision processes and effectiveness has not yet, however, been so convincingly demonstrated.”

In addition to process outcomes, numerous conceptualizations of economic outcomes exist in the literature. Frequently, process outcomes are linked to economic outcomes such as ROI, ROE and growth in sales/profit, market share, or stock price (Rajagopalan/Rasheed/Datta, 1993).

Since the empirical research approach of the dissertation specifically emphasizes the observation of the speed of strategic decisions, special emphasis is put on this segment of the literature (Bourgeois/Eisenhardt, 1988; Dean/Sharfman, 1996; Eisenhardt, 1989a; Eisenhardt/Bourgeois, 1988; Judge/Miller, 1991; Papadakis/Lioukas/Chambers, 1998; Schilit, 1987; Schilit/Paine, 1987; Wally/Baum, 1994). Decision speed has been found to be a vital factor in influencing firm performance in high velocity environments (Bourgeois/Eisenhardt, 1988; Eisenhardt, 1989a; Eisenhardt/Bourgeois, 1988). This finding -inductively derived in the 1988 study by Bourgeois and Eisenhardt- was deductively tested and quantitatively supported by Judge/Miller (1991: 450) who argued:

“The conclusion that (decision) speed and performance are associated is certainly in keeping with the experiences of a growing number of corporations that are relying on organizational speed to improve their financial performance. For example, Bower and Hout argued that organizations that make fast decisions ‘are like World War II fighter pilots- they win by making faster decisions which preempt the opposition’s moves’ (1988: 110).”
According to Judge/Miller (1991) it is due to the increasingly global markets and shortened product life cycles that the attention given to speed of the strategic decision-making process is growing. Stalk from the Boston Consulting Group (1988: 41), Stalk/Hout (1990) and Thomas (1990: ix) state that:

“the ways leading companies manage time represent the most powerful new sources of competitive advantage.” and “The big don’t outperform the small, the fast outperform the slow.”

Besides the relevance of decision speed in the practical business environment, the speed of strategic decisions also represents an essential unit of analysis in the theoretical field. Eisenhardt (1989a: 543) states in this matter:

“Although decision speed seems to affect firm performance in high-velocity environments (Bourgeois/Eisenhardt, 1988) and is a key characteristic differentiating strategic decisions (Hickson/Butler/Gray/Mallory/Wilson, 1986), there has been little research on fast strategic decision-making.”

In addition to the established correlation between decision speed and firm performance in high velocity environments (Bourgeois/Eisenhardt, 1988), another point of discussion in the literature is whether speeding decisions has implications for the quality of the strategic decisions, which in turn has been shown to affect firm performance (Schwenk, 1990). In this respect, Wally/Baum (1994: 948) articulate, “Although fast decisions may not necessarily be better decisions, speeding decision-making also need not diminish the quality of outcomes.”

From the preceding paragraphs the practical and theoretical justification, relevance and potential benefits from studying the speed of strategic decisions have become apparent. The following section deals with existing operationalizations, conceptualizations and definitions of strategic decisions and decision speed prevalent in the literature.

When defining strategic decisions Eisenhardt/Zbaracki (1992) and Mintzberg/Raisinghani/Theoret (1976) focus on the decisions made by top managers of an organization, which critically affect organizational health and survival. Hence, Mintzberg /Raisinghani/Theoret (1976: 246) define a strategic decision as follows:
“A strategic decision is one, which is important, in terms of the actions taken, the resources committed, or the precedents set.”

Wally/Baum’s definition of strategic decisions (1994: 933) goes along this line of argumentation and refers to Ghemawat (1991), March/Simon (1958) and Porter (1980):

“Strategic decisions are non-programmable decisions that involve the commitment of substantial resources at the level of the total enterprise.”

The research approach of the dissertation has led to a strong emphasis of decision speed at the SBU-level and the perception thereof. This conceptualization from the data goes along with Eisenhardt (1989a), who qualitatively assesses decision speed as the perceived speed of executives’ decisions and supports it by quantitatively measuring the duration of the decision. Eisenhardt (1989a: 549) states as follows:

“I assessed the overall speed of decision-making from interview and story data. These qualitative assessments were corroborated with measurement of the duration of each strategic decision studied. Following prior research (Hickson et al., 1986; Mintzberg et al., 1976), I measured duration using the beginning and end times for each decision, with starting time indicated by the first reference to a deliberate action such as scheduling a meeting or seeking information and ending time indicated by the time at which a commitment to act was made.”

Following Eisenhardt (1989a), Judge/Miller (1991: 455) define decision duration as

“the time between the first reference to deliberate action such as scheduling a meeting or seeking information, to the time in which a commitment to act was made.” (...) Because decision duration reflects the slowness of a decision, we reversed the scale for our dependent variable to reflect decision speed. This reverse scaling was achieved by subtracting decision duration from 25, yielding a more intuitive metric for decision speed in which high values reflect fast decisions and low values, slow decisions.”
The notion of perceived decision speed and quantitatively measured duration is also supported by Wally/Baum (1994), who derives primary information about the pace of decision-making from scenario responses. The specific measures used by Wally/Baum (1994: 940) are as follows:

“Decision-making pace 1: The respondents recorded the number of days that their firms would most likely take to reach decisions on each of six events as they occurred. This measure captured the perceived speed of decision-making.

Decision-making pace 2: We asked three 5-point Likert questions about the respondents’ firms’ decision-making speed. (...) An index of responses on the second pace measure (α = .70) served to validate the primary measure of organizational decision speed.”

This dissertation focuses on strategic decisions as ones, which are important, in terms of the actions taken, the resources committed, or the precedents set (Mintzberg/Raisinghani/Theoret, 1976). This differentiates strategic decisions from operational decisions and in this dissertation is specifically applied to the strategic business unit-level of a firm. Due to the inductive character and the qualitative methodological approach of the dissertation, strong emphasis has been put on the way the respondents perceived the speed of their strategic decision-making. Hence, the following empirical conceptualization of decision speed in the dissertation goes along with the definition of decision speed as perceived by the respondents and brought forward by Eisenhardt (1989a), Judge/Miller (1991) and Wally/Baum (1994).4

The speed of strategic decision-making at the SBU-level as a critical success factor of firm performance is the duration of time utilized to evaluate and select -on the basis of reasoning, awareness, negotiation, power positions and other forms of impetus and momentum- from various strategic options, which are subject to approval, denial, agreement or disagreement by the decision-maker.

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4 For a detailed elaboration of the empirical conceptualization of decision speed within the dissertation’s data material, see: chapter 6.1 (‘The overall grid and the speed of strategic decision-making’).
2.1.5 Strategic decision speed and influencing factors

Research concerned with strategic decision-making processes has investigated a broad range of process antecedents, characteristics and influencing factors (Huff/Reger, 1987; Papadakis/Lioukas/Chambers, 1998; Rajagopalan/Rasheed/Datta, 1993). The following authors have discussed influencing factors generally related to strategic decision-making:

- Strategic decision-making and process formalization and standardization: Papadakis/Lioukas/Chambers (1998), Stein (1980)
Interest in studying the speed at which strategic decision-making occurs emerged from
the work of Bourgeois/Eisenhardt (1988), who inductively pointed to an association
between firm performance and speedy decision-making. The fact that decision speed is
a more recent field of research with a lower number of contributions in the field is
pointed out by Eisenhardt (1989a: 543):

“There has been little research on fast strategic decision-making.”

Referring to Bluedorn/Denhardt (1988), Judge/Miller (1991: 449) quote similarly:

“Despite the growing recognition of the importance of the speed with which
decisions are made, little is known about this phenomenon.”

The following paragraphs deal with influencing factors specifically related to decision
speed.

Eisenhardt (1989a) has carried out an extensive literature review and in her
observation and analysis of high velocity environments has put special emphasis on
the following influencing factors of decision speed:5 (1) planning and real-time
information, (2) timing and number of alternatives, (3) power and the role of
counselors, (4) conflict and resolution and (5) fragments and decision integration.

(1) Planning and real-time information: Eisenhardt’s empirical evidence (1989a)
suggests that fast decision makers use more, not less information, than do slow
decision makers. This finding contradicts prior research, which suggests that the
consideration of few alternatives, obtaining inputs from few sources of expertise and
limited analysis shortens the strategic decision process (Janis, 1982;
Mintzberg/Raisinghani/Theoret, 1976; Nutt, 1976). This traditional perspective, which
argues that the greater the use of information, the slower the strategic decision process
also argues that comprehensiveness slows the strategic decision-making process
(Fredrickson/Mitchell, 1984). As opposed to this prior stream of research, Eisenhardt
(1989a) proposed and Judge/Miller (1991) quantitatively corroborated that the greater
the use of real-time information, i.e. information about a firm’s operations or

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5 Bourgeois/Eisenhardt (1988: 816) define high velocity environments as those in which “changes in
demand, competition, and technology are so rapid and discontinuous that information is often
inaccurate, unavailable, or obsolete.” According to Judge/Miller (1991: 451) these environments
are typified by the following three characteristics, “information is poor; mistakes are costly, and
recovery from missed opportunities is difficult.”
environment for which there is little or no time lag between occurrence and reporting, the greater the speed of the strategic decision process. Eisenhardt assumes three reasons why the use of real-time information quickens the pace of strategic decision-making: The first reason lies in the fact that real-time information speeds issue identification, allowing executives to recognize problems and opportunities sooner (Dutton/Jackson, 1988). The second line of argumentation reasons that managers who attend to real-time information actually develop their intuition, which aids them to react quickly and accurately to changing stimuli in their firm or environment (Eisenhardt, 1989a). The third reason claims that frequent review of real-time information develops social routines in a group, needed to respond rapidly when pressing situations arise.

(2) **Timing and number of alternatives:** Eisenhardt’s findings (1989a) propose that the greater the number of alternatives considered simultaneously, the greater the speed of the strategic decision process. This finding as well as the one stated above contradict prior research by Janis (1982) and Vroom/Yetton (1973) who have noted that multiple alternatives are likely to slow the strategic decision process. Fredrickson/Mitchell (1984: 402) describe ‘multiple alternatives’ as comprehensiveness, which includes being “exhaustive or inclusive in the generation and evaluation of alternatives.” According to this perspective, consideration of few alternatives, obtaining input from few sources and limited analysis lead to quick decisions (Mintzberg, 1973a; Nutt, 1976). In contrast to these authors, Eisenhardt’s data (1989a) suggests that faster decision-making is associated with more, not fewer, alternatives. Moreover, the sequencing of alternatives is crucial to the pace. Rapid decisions are characterized by simultaneous consideration of multiple alternatives and the slower decisions are characterized by sequential consideration of fewer alternatives. Judge/Miller (1991) provide strong support for the proposition that the number of alternatives is positively associated with decision speed. In addition, Anderson (1983) and Schwenk (1983) reach a similar conclusion that multiple alternatives accelerate cognitive processing and hence, decision-making speed. Other justifications for this positive correlation include perceiving multiple alternatives as a form of fallback position. If one alternative fails, executives can quickly shift to a new one (Eisenhardt, 1989a). Additionally, having simultaneous alternatives reduces the ‘escalation of commitment’ to any one option (Staw, 1981). This implies that decision makers who pursue multiple
options have a lower psychological stake in any one alternative and thus, can quickly shift between options if they receive negative information on any alternative.

(3) Power and the role of counselors: Eisenhardt (1989a) proposes that the greater the use of experienced counselors, the greater the speed of the strategic decision process. The fact that political factors influence the pace of decisions has initially been pointed out by Mintzberg/Raisinghani/Theoret (1976) and Vroom/Yetton (1973). Hickson/Wilson/Cray/Mallory/Butler (1986) found that resistance by influential people was a leading cause of delay in making strategic decisions. Alternatively, when few executives are involved, a decision process can be rapid. For example, Vroom/Yetton (1973) advocated autocratic decision-making in situations in which speed is essential. According to this perspective, centralized power quickens decision-making. However, Eisenhardt’s data (1989a) indicates no pattern linking decision speed to either qualitative or quantitative indicators of power centralization. The process whereby CEOs gather advice is found to be important. Eisenhardt (1989a) who labels this a ‘two-tier advice process’, finds that CEOs seeking counsel from all members of the top management team, while focusing on obtaining advice from only few of the firm’s most experienced executives (counselors), make faster decisions. In contrast, less experienced executives in the counselor role or CEOs without a counselor, lead to a slower pace of decision-making. This line of argumentation goes along with Vance (1983) who notes that experienced boards make faster decisions than inexperienced boards because the members of the former know more about their industry and organization and can focus more quickly on the fundamental strategic issues. On the basis of Eisenhardt’s findings and Vance’s observations, Judge/Miller (1991) test for the causal relation between board experience and the pace of strategic decision-making. Contrary to the prediction of their hypothesis in this respect, board experience is found to be negatively related to decision speed. I.e. as a board becomes more experienced, it slows down strategic decisions (Judge/Miller, 1991). Eisenhardt (1989a) states two reasons for an experienced counselor to speed decision-making. The first reason is that the counselor speeds up the development of alternatives, providing a quick sounding board for ideas. The second reason is that an experienced counselor supports a team in dealing with the ambiguity of high-stakes in decision-making.
(4) **Conflict and resolution**: Eisenhardt’s data (1989a) indicates no pattern linking decision speed to either the general level of conflict within a team or conflict on the decision studied. This finding contradicts authors such as Hickson/Wilson/Cray/Mallory/Butler (1986) and Mintzberg/Raisinghani/Theoret (1976) who have argued that conflict influences the length of a decision process. For example, Mintzberg/Raisinghani/Theoret (1976) have found that conflict and disagreement creates interruptions in the process. Hence, from their perspective, increasing conflict slows the pace of strategic decisions. However, Eisenhardt (1989a) and Eisenhardt/Zbaracki (1992) have found no link between decision speed and conflict per se but point out that conflict resolution is crucial. In this respect, Eisenhardt (1989a) states the following proposition: The greater the use of active conflict resolution, the greater the speed of the strategic decision process. Eisenhardt’s data (1989a) supports the fact that an active, induced way of conflict resolution leads to faster decisions than a passive process of decision-making where decisions are forced due to external deadlines and events rather than taken deliberately.

(5) **Fragments and decision integration**: Eisenhardt’s (1989a) final distinction between slow and fast strategic decision-making lies in the web of relationships among decisions. According to Eisenhardt’s findings (1989a) the greater the integration among decisions, the greater the speed of the strategic decision process. Eisenhardt’s data indicated that teams attempting to integrate strategic decisions with one another partly by tactical plans made faster strategic decisions. In contrast, the teams making slower decisions treated decisions as discrete and even disconnected events. Eisenhardt (1989a) states two reasons why the integration of decisions leads to faster decision-making. The first reason is that decision integration helps executives to analyze the viability of an alternative more quickly. The second reason is that it helps them to cope with the ambiguity of high-stakes decision-making by providing a better understanding of alternatives and in turn a feeling of competence and control (Eisenhardt, 1989a).

Eisenhardt’s findings on influencing factors regarding decision speed can be summarized by the following quotation (1989a: 544):

“The evidence suggests that fast decision makers use more, not less information, than do slow decision makers. They also develop more, not fewer,
alternatives. In contrast to current literature, this study found that centralized decision-making is not necessarily fast, but a layered advice process, emphasizing input from experienced counselors, is fast. The findings also indicate that conflict resolution is critical to decision speed, but conflict per se is not. Finally, integration among strategic decisions and between decisions and tactical plans speeds, not slows, decision-making. Such integration helps decision makers cope with the anxiety of high-stakes decision-making.”

However, like most path-breaking studies, Eisenhardt’s work left several unanswered questions. One of them being whether there are determinants of decision speed other than those Eisenhardt identified. Hence, in addition to Eisenhardt’s comprising framework of decision speed determinants various other authors have conducted research on influencing factors of decision speed. These are briefly dealt with in the following paragraphs. Schweiger/Sandberg/Ragan (1986) note that extensive analysis in dialectical inquiry is likely to slow the pace of decision-making. Janis (1982) indicates that, although a rational process may be superior, it also lengthens decision-making. This perspective implies that the greater the use of information (Eisenhardt, 1989a), the slower the strategic decision process. Vroom/Yetton (1973) advocates autocratic decision-making when speed is essential, since only powerful leaders can make rapid, unilateral choices. Similarly to Vroom/Yetton (1973), March/Olsen (1976) argue that involvement by many decision makers lengthens the decision process. Staw/Sandelands/Dutton (1981) indicate that power centralization is the most natural response to highly uncertain environments where speed is essential for firm survival.

Wally/Baum (1994) have primarily based their research on the studies of Bourgeois/Eisenhardt (1988), Eisenhardt (1989a), Eisenhardt/Bourgeois (1988) and Judge/Miller (1991). For the purpose of their study, i.e. to extend the research on the pace of strategic decision-making, they deductively derived a model of the determinants of strategic decision-making pace that incorporates the role of individual differences among executive decision makers, organizational structural characteristics and industry effects. Drawing on the data of 151 firms, Wally/Baum’s key findings (1994: 932) can be summarized as follows: (1) personal determinants: chief executives’ cognitive ability, use of intuition, tolerance for risk and propensity to act
associated positively with speedy decisions. (2) Structural determinants: decision pace appeared to be faster in centralized organizations and slower in formalized organizations, i.e. firm size and industry effects being controlled for. In this study, evaluations of business acquisition candidates served as the unit of analysis, i.e. the strategic decisions of interest. Similar to this dissertation’s link between corporate involvement and decision speed, Wally/Baum (1994: 934-935) focus on chief executives’ influences, i.e. personal and structural determinants on the strategic decision-making pace:

“Leaders, especially chief executive officers (CEOs), imprint their firms with their own values, many of which are manifested in the organizations’ decision-making processes (Keeney, 1992; Norburn, 1989). Within organizations, executives’ cognitive styles and personality characteristics appear to influence their organizations’ strategic decision-making processes (Schwenk, 1988), including the pace at which strategic decision-making occurs (Bourgeois/Eisenhardt, 1988; Eisenhardt, 1989a; Judge/Miller, 1991).”

According to the study by Wally/Baum (1994), the influencing factors, i.e. determinants of strategic decision speed can be described as follows:

(1) Personal determinants of strategic decision speed

- **Cognitive ability**: Level of intellectual capability brought to a decision. This is also referred to as the individual cognitive complexity or information-processing skills.
- **Intuition**: Nonconscious ability to code, sort and access the meaningfulness or relevance of the outcomes of past decisions efficiently.
- **Tolerance for risk**: High tolerance for risk appears to be associated with high tolerance for ambiguity and a willingness to decide.
- **Propensity to act**: High energy and activity levels are associated with ambition, energy and decisiveness (Bird, 1989; Kent/Saxon/Vesper, 1982; Smeltz, 1990). Energetic and active executives will perform the intelligence, design and choice activities of decision-making in a highly focused manner.

(2) Structural determinants of strategic decision speed

The structural dimensions of centralization of authority, formalization and complexity have all been found to influence decision-making (Miller/Dröge, 1986).
Core concepts and relevant literatures

- **Centralization**: This concept refers to the concentration of authority or decision-making power in a firm. The more centralized an organization, the less authority is delegated by top executives. The underlying notion is that autocratic decision-makers make faster decisions in part because they rely less on consultation (Eisenhardt, 1989a). Wally/Baum (1994) also expects that organizations with concentrated power produce faster strategic decisions because when few people are involved in a decision-making process, little conflict occurs, reducing needs for information sharing and consensus seeking (Dess, 1987; Pfeffer, 1981).

- **Formalization**: Wally/Baum’s concept of formalization refers to the extent to which firm policies, job descriptions, organization charts, plans and objective setting systems are articulated explicitly, usually on the basis of written communication. Formalization may slow the first two phases of the rational normative decision-making process, intelligence and design, by encouraging the collection of much data and extremely thorough analyses of alternatives (Fredrickson/Mitchell, 1984). Formalization may also slow the decision-making by encouraging organizational inertia, routine, rule-like behavior patterns that detract from adaptive responsiveness and thereby impede executives’ ability to choose flexibly (Fredrickson/Iaquinto, 1989; Hannan/Freeman, 1977).

### 2.1.6 Summary and discussion

The purpose of this chapter was to put the concept of strategic decision speed into the context of the relevant literatures and to illustrate the existing contributions in the scientific field. First, the topic of strategic management was introduced by presenting the realms of strategy content and strategy process research. The concept of strategic decision speed at the SBU-level was profoundly rooted in the field of strategy process research, which emphasizes strategically relevant events taking place within corporate entities. Numerous strategy process criteria were described by concentrating on historical as well as phenomenon-related issues. Key emphasis was put on the question how the formation of strategies takes place.

In order to more profoundly understand the processes of strategic decision-making, the following underlying theoretical models of strategic decision-making were depicted and elucidated: rational analytical, external control, strategic choice, political and
power-oriented, garbage can as well as organizational/bureaucratic models of decision-making. Concluding from this depiction of varying decision-making models, the dissertation integrates and includes aspects of all of them, excluding the contingency model, which is inappropriate since managerial activities are heavily constrained by environmental factors. The rational and the strategic choice model are vital since they account for purposeful managerial actions (corporate involvement). The power-oriented model refers to specific means of corporate involvement derived from the data material. The garbage can model accounts for aspects of chance and random combinations of decision-making aspects, which is vital to describe the concept of corporate involvement. The organizational decision-making model is relevant in terms of the varying organizational systems and structures installed.

The concept of strategic decision speed has become more and more important in the practical as well as theoretical realm of strategy management. Decision speed has been found to be a vital factor in influencing firm performance in high velocity environments (Bourgeois/Eisenhardt, 1988; Eisenhardt, 1989a; Eisenhardt/Bourgeois, 1988). This finding -inductively derived in the 1988 study by Bourgeois and Eisenhardt- has been deductively tested and quantitatively supported by Judge/Miller (1991). In Judge/Miller’s study (1991: 461) on biotechnology firms, decision speed explains nearly 38% of the variance in sales growth and over 42% of the variance in profitability. Since the speed of strategic decision-making at the SBU-level represents the pivotal point of the dissertation, special emphasis was put on the illustration of this segment of the literature, which was strongly represented by the following authors: Bourgeois/Eisenhardt (1988), Eisenhardt (1989a), Eisenhardt/Bourgeois (1988), Eisenhardt/Zbaracki (1992), Judge/Miller (1991), Rajagopalan/Rasheed/Datta (1993) and Wally/Baum (1994). The qualitative nature of the dissertation has led to a strong emphasis of decision speed as perceived by the respondents. This conceptualization goes along with Eisenhardt (1989a), who qualitatively assesses decision speed as the perceived speed of executives’ decisions.

In order to generally link the concept of decision speed to the concept of corporate involvement in the realm of the decision speed literature, influencing factors and determinants of strategic decision speed presented in the literature were portrayed. Eisenhardt (1989a) has carried out an extensive literature review on influencing
factors of decision speed and has comprised them in a framework which puts special emphasis on the following determinants of decision speed: (1) planning and real-time information, (2) timing and number of alternatives, (3) power and the role of counselors, (4) conflict and resolution and (5) fragments and decision integration. Furthermore, Wally/Baum (1994) extended the research on strategic decision speed by deductively deriving a model, which incorporates the role of individual differences among executive decision makers (cognitive ability, intuition, tolerance for risk, propensity to act), organizational structural characteristics (centralization, formalization), as well as industry effects. The following section focuses on the dissertation’s concept of corporate involvement and existing relevant contributions in the field of literature.

2.2 Corporate involvement at the SBU-level

The dissertation’s key focus lies on the analysis and evaluation of SBU strategic decision speed, being affected by corporate involvement behavior at the SBU-level. The preceding subchapter 2.1 (‘The speed of strategic decision-making’) has reviewed the relevant contributions in the related fields of literature and has put the dissertation’s conceptualization of SBU-decision speed in context to the ongoing scientific debate about the speed of strategic decision-making and its determinants in the field of strategy process research. In order to elucidate the dynamics and varying effects of corporate involvement behavior on the speed of strategic decision-making at the SBU-level, nine means and three modes of corporate involvement are inductively derived from the dissertation’s empirical data material. As opposed to the concept of ‘strategic decision speed’, which is thoroughly described and evaluated in the literature, the concept of corporate involvement at the SBU-level with regard to organizational decision-making processes is hardly recognized. By specifically applying and relating the established concept of strategic decision speed to the phenomenon of corporate involvement behavior at the SBU-level, the dissertation

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6 For the inductive development and conceptualization of individual means of corporate involvement, see: chapter 5, (‘Corporate involvement and decision speed in light of the empirical data’) and chapter 6, (‘Results – individual links between corporate involvement and decision speed’); for aggregated modes of corporate involvement, see chapter 7, (‘Results – aggregated links between corporate involvement and decision speed’).
seeks to provide a valuable contribution to the field of strategic decision-making as well as corporate-SBU research. The following sections provide an overview of existing literatures relating to the topic of corporate and SBU management levels as well as proposed possible interactions, influences and involvement patterns between them. Hence, the subsequent sections are divided into two subchapters, referring to literature on (1) conceptualizations, definitions and assumptions about the organizational set-up of corporate management levels and strategic business units (SBUs); and (2) patterns and styles of involvement, influence and interaction between corporate management levels (CM) and strategic business units (SBU).

2.2.1 Corporate management and strategic business units

In recent literature publications in the strategic management field, numerous contributions attempt to portray the characteristics and explain the roles of corporate management levels in organizations (e.g. Conger/Lawler/Finegold, 2001; O’Sullivan, 2001; Simmers, 1998). However, research on the functions of executive managers dates back among others to Barnard (1938) and Mintzberg (1973b). Baysinger/Hoskisson (1990) refer to corporate managers as potentially important instruments of internal control. The authors (1990) argue that managerial control, as a key characteristic of corporate management levels is tightly interwoven with the aspect of ownership, which in turn affects the corporate strategy and the strategic decision-making process. Various contributions in the field of strategic management literature such as Golden (1992) or Datta/Rajagopalan (1998) exclusively refer the concept of corporate management to the function and position of the chief executive officer (CEO). However, other research studies focus on whole teams of top managers (TMT) as the corporate managerial unit of analysis (e.g. Hambrick/Mason, 1984).

Research concentrating on the latter aspect of top management teams (TMT) assumes that top managers have an impact on the organization and its members (Barsade/Ward/Turner/Sonnenfeld, 2000; Floyd/Wooldridge, 1992, 2000; Hambrick, 1981). By referring to performance implications, Hambrick (1987: 88) emphasizes the pivotal role assigned to corporate management levels within the top management perspective of strategy process research:

“This view contends that performance of an organization is ultimately a reflection of its top managers.”
Under the assumption that corporate management behavior explains why organizations act in a specific way (Hambrick/Mason, 1984), a vast amount of research since 1980 has focused on the conduct of top management teams. According to Floyd/Wooldridge (2000) this body of work can be divided into two streams.

(1) The first stream of research focuses on decision processes within the top management team, which in turn links to the decision-making literature reviewed in the preceding chapter 2.1 (‘The speed of strategic decision-making ’). In this realm, research analyzes e.g. the comprehensiveness of decision processes (Fredrickson, 1984), consensual versus conflict-based decision processes (Schweiger/Sandberg/Rechner, 1989), corporate decision-making typologies varying from navigator to strategist (Hassard, 1988) or top management team agreements on goals and means (Dess/Origer, 1987; also: Donaldson/Lorsch, 1983).

(2) The second stream of TMT-research focuses on the characteristics of top management teams. According to Floyd/Wooldridge (2000) work in this area concentrates on the psychological makeup of top managers and the composition of top management teams. For the first issue of psychological makeup, most studies rely on substitute measures such as ‘tenure in the organization’, ‘level of education’ or ‘functional track and specialization’ (e.g. Wiersema/Bantel, 1992). Hambrick/Mason (1984) attempt to synthesize the fragmented literatures around the topic of TMT-characteristics by proposing an integrative ‘upper echelons perspective of organizations’, in which they distinguish between psychological and observable characteristics of top management levels, affecting firm performance and organizational processes of strategic choice. According to this perspective, psychological characteristics refer to cognitive base values, whereas the observable characteristics relate to age, functional tracks, career experiences, education, socioeconomic roots, compensation, financial position and group characteristics. Using comparable measures of TMT-characteristics, theories on the effects of TMT homogeneity and heterogeneity on strategic outcomes have been developed (West/Schwenk, 1996). Hurst/Rush/White (1989) emphasize the significance of TMT heterogeneity in dynamic contexts calling for strategic change and renewal. Priem (1990) proposes a curvilinear relationship between TMT homogeneity/heterogeneity and firm performance. Michel/Hambrick (1992) suggest that greater levels of TMT
heterogeneity are associated with higher levels of corporate diversification. Wiersema/Bantel (1993) investigate the effects of environment and TMT tenure and educational heterogeneity on TMT turnover and conclude that neither of the heterogeneity variables is significantly related to team turnover. This study (1993) utilizes a definition of the top team to include the two highest levels of management within a firm, which Wiersema/Bantel refer to as the ‘top and second tier’ of management. Carpenter (2002) reexamines the link between top management team heterogeneity and firm performance and theorizes that the effects of education, work experience and tenure depend on the TMT’s strategic and social context. Generally, studies conducted in the realm of TMT research, strongly rely on the deductive introduction of variables and the testing thereof according to quantitative methodologies such as e.g. regression analyses (e.g. Carpenter/Sanders, 2002; Carpenter/Westphal, 2001; Wiersema/Bantel, 1992, 1993). This deductive and quantitative approach in the literature strongly differs from the dissertation’s approach of inductively deriving what respondents perceive as corporate involvement behavior at the SBU-level. Hence, the dissertation’s contribution with regard to this field of literature lies in an empirically, well-founded reconceptualization of corporate management levels on the basis of respondents’ perceptions as opposed to observable and quantifiable characteristics of top management teams.

Goold/Campbell/Alexander (1994) and other publications in the close vicinity of the Ashridge strategic management center (Campbell, 1999; Campbell/Goold, 1999; Campbell/Goold/Alexander, 1995; Goold/Campbell, 1987a/b; Goold/Campbell/Alexander, 1998; Goold/Campbell/Luchs, 1993a/b) form another important stream of literature dealing with the aspects of corporate management and strategic business units. Goold/Campbell/Alexander (1994) refer to corporate management levels as ‘corporate parents’ or ‘parent companies’. The authors’ definition of a parent company is stated in the following (1994: 399):

“A basic definition of the parent is that it is doing something other than directly running a business. Theoretically, therefore, it is not difficult to identify the parent. First we define the organizational business units. Whatever is left outside the business units but within the company must be the parent.”
Hence, according to Goold/Campbell/Alexander (1994: 389) corporate management levels are conceptualized through the definition of strategic business units, which is depicted in the following.

“The parent and the business units are defined organizationally. In other words, we define the businesses as being whatever the company chooses to operate as organizationally separate profit-responsible units. Such entities are often referred to as strategic business units, or SBUs, for the very reason that they are organized as largely separable businesses with control over the main strategic levers that affect their performance.”

As a finding of their research on corporate management and SBUs, the authors (1994) suggest that successful companies benefit from a fit between the characteristics of the parent and the strategic business units. For a deeper understanding of the concept of ‘parent company’, Goold/Campbell/Alexander (1994) present five groups of corporate-related characteristics, which are pointed out in the following:

1. **Parent’s mental maps**: Corporate-level managers apply rules of thumb and mental models that help them to intuitively interpret and synthesize information.

2. **Parenting structures, systems and processes**: Corporate-level managers can apply certain mechanisms through which the perception and behavior of managers on the strategic business unit-level can be influenced, e.g. the implementation of hierarchical layers, HR-systems, budgeting and strategic planning systems or the formal design of organizational decision-making structures.

3. **Functions, central services and resources**: This dimension includes the availability of corporate staff departments and central assets that support line management’s efforts in general business activities. This comprises staff functions such as strategic development departments as well as resources such as e.g. financial assets.

4. **People and skills**: Corporate managers often create value due to highly specialized employees with unique experiences in specific fields. As opposed to many business units, parent companies are frequently dominated by a handful of individuals whose personalities and individual skills make a critical difference.

5. **Decentralization contracts**: The ‘decentralization contract’ represents explicit and implicit agreements and principles between the corporate center and a strategic business unit. It defines and specifies the extent of decentralization and the issues, in which the parent company gets involved. Decentralization contracts can e.g.
comprise authorization limits, job descriptions and formal statements of work processes.

The characteristics of strategic business units are complementary to the above depiction of corporate-level characteristics, which goes in line with the authors’ definition of corporate parents as the remainder of the company apart from the business units. Despite this interdependency, Goold/Campbell/Alexander (1994) denote and stress the following individual characteristics of strategic business units.

1. **Focus on transactions**: Business units focus on particular types of transactions.
2. **Viability and strategic business opportunities**: Business units focus on a number of specific clusters of transactions and group around viable clusters. A cluster that supports a successful stand-alone entity is referred to as strategic business opportunity.
3. **Value chain configuration**: Depending on the cluster emphasized, business units configure their value chain in different ways.
4. **Change/adaptation**: The relative attraction of clusters and the definition of strategic opportunities change over time, therefore resulting in changes and adaptation of the business unit structure.

Furthermore, Goold/Campbell/Alexander (1994) specify two additional characteristics with regard to strategic business units:

5. **Parenting opportunities**: The specific situation in each business unit determines the nature and extent of the opportunities for the corporate center to create value at the SBU-level. Factors that give rise to opportunities include weaknesses in the business management team, conflicts between business managers’ interests and those of other stakeholders and the need for specialist expertise not possessed by the business unit.
6. **Critical success factors**: In different businesses, differing factors play a role in the individual business-level success. Critical success factors at the organizational link between corporate management and strategic business units can take the following forms: e.g. the ability to attract and motivate exceptionally creative individuals or e.g. the ability to manage labor costs tightly.
The conceptualization of the term ‘strategic business unit’ according to Goold/Campbell/Alexander (1994: 399) is summarized by the following quotation.

“Business units are defined clearly in terms of organizational structure and management responsibility. Each unit has identifiable resource boundaries (e.g. staff and tangible assets). It has a general manager who integrates different functions, initiates strategic proposals, is held responsible for profitability and has the sense of running business.”

Hence, business units according to Goold/Campbell/Alexander (1994) have a clear operational focus, i.e. they concentrate on the actual business with the external customer in a given industry. This implies dealing with products and generating profits on the basis of the exploitation of market opportunities and efficient internal processes. The following quotation by Goold/Campbell/Alexander (1994: 12) illustrates the main distinction drawn between corporate parents and strategic business units.

“The business units of multibusiness companies create value through direct contact with customers. They compete in their markets to satisfy customer needs and to generate revenues and profits. These businesses report to the parent, which includes the corporate headquarters and, perhaps, group and division managements. In contrast to the businesses, the parent does not have external customers and generates costs but no revenues. It acts as an intermediary, influencing the decisions and strategies pursued by the businesses and standing between the businesses and those who provide capital for their use.”

The conceptualization of corporate parents and strategic business units brought forward by Goold/Campbell/Alexander (1994) concentrates on the tasks and activities of corporate and SBU managers. The corporate parent is considered to influence the making of decisions and strategies at the SBU-level and therefore closely corresponds to the dissertation’s inductive concept of corporate involvement behavior at the SBU-level.

Goold/Campbell/Alexander (1994) also relate to other conceptualizations of corporate and SBU-levels in the strategic management literature. For example, the notion of corporate managers’ influence on SBU management levels harmonizes well with
Burgelman (1983a/b, 1985, 1996) and his understanding of induced strategic behavior and structural context, which is depicted in the following quotation (1983a: 65).

“Structural context determination is a broad envelope concept used to denote the various administrative mechanisms that corporate management can manipulate to change the perceived interests of the strategic actors in the organization.”

Burgelman (1983a) refers to corporate-levels as managers determining the content of strategy by inducing administrative mechanisms (structural context), which influence the behavior and perceptions of lower-level strategic actors in the firm.7 Through the manipulation of the structural context, within which the SBU generates strategic projects, corporate managers can influence the type of projects that will be defined by lower management and given impetus by middle management. Despite the three-layer focus on lower, middle and top management, Bower (1970) and Burgelman (1983a) respectively do not explicitly elaborate on conceptualizing strategic business units. This shortcoming is characteristic of many research studies in the strategic management literature. On the basis of the contributions in the literature depicted above and the inductive and empirical nature of the dissertation, the following three key underlying notions in reference to corporate management levels and strategic business units are attained.

1. **Ownership:** Strategic business units are typically conceptualized as being under the financial tenure and ownership of a superior corporate management level (Baysinger/Hoskisson, 1990).

2. **Business focus:** As opposed to corporate management levels, strategic business units have a more operational business focus; i.e. SBUs are in direct contact with external customers and generate revenues and profits (Goold/Campbell/Alexander, 1994). This implies operational handling with products, exploiting market opportunities and reporting to the corporate management level. In contrary, corporate management levels are not in direct contact with external customers and generate costs instead of revenues. A vital function of corporate managers frequently referred to is the influencing of decisions and strategies pursued by strategic business units, which links to the third aspect illustrated in the following.

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7 Also see: Bower, 1970
3. Interaction between corporate management and strategic business units:
   Corporate management levels and strategic business units are typically conceptualized as mutually involved and interacting with each other. Depending on the scope and flexibility required by SBUs, corporate management provides different degrees of freedom and autonomy on the basis of e.g. resource allocation (Bower, 1970), financial control (Goold/Campbell/Alexander, 1994) or other available forms of CM-SBU-interactions.

The following subchapter concentrates more closely on the latter issue by depicting and reviewing research contributions in the field of strategic management literature, specifically deliberating the involvement and interactions between corporate management levels and strategic business units.

2.2.2 Involvement and interactions between corporate management and strategic business unit-levels

Various contributions in the current management literature focus on the ways managers influence each other, considering both explicit, direct and implicit, indirect influence strategies (e.g. Forgas/Kipling, 2001; Kelly/Gennard, 2001). From the preceding section it has become clear that corporate management levels and strategic business units are interdependent and tightly interwoven. Hart (1992: 347) states:

“Strategy-making can no longer be limited conceptually to the chief executive or the top-management team. Rather, strategy-making must be conceptualized as an organizationwide phenomenon. Specifying the complementary roles played by top managers and organizational members serves to clarify how strategy actually gets made in organizations.”

Formerly, strategy-making used to be envisioned solely as the province of corporate management levels (Andrews, 1971; Ansoff, 1965). Child (1972) proposes that top managers make strategic choices regarding the goals, domains, technologies and structures of a firm. Keeney (1992) and Norburn (1989) assume that management leaders, i.e. chief executive officers, imprint their firms with their own values, which in turn influence the organizations’ decision-making process. Schwenk (1988) assumes, that executives’ cognitive styles and personality characteristics influence the
organization’s strategic decision-making process, including the pace at which strategic decision-making occurs (Bourgeois/Eisenhardt, 1988). McNulty/Pettigrew (1999) examine the contributions of corporate managers to strategy and propose that corporate managerial levels are able to influence processes of strategic choice, change and control by shaping both the ideas that form the content of company strategy and the methodologies and processes by which they evolve. The authors (1999) further state that this type of involvement is conditioned among others by factors such as: changing norms about corporate governance or the history and performance of the company. Aram/Cowen (1986) investigate the efforts undertaken by corporate managers to assist in increasing a firm’s value and thereby distinguish between the involvement through goal and strategy formulation and management control. By investigating what ‘corporate managers really do’ Marginson/Edwards (1988) find that corporate offices are less involved in day-to-day decisions, but are closely involved in decisions regarding pay and industrial disputes. The authors (1988) also observe that internal firm structure affects corporate involvement.

Despite this prime focus on corporate management levels, various studies have noted the increasing trend toward wider involvement of organizational members in strategic concerns (Guth/MacMillan, 1986; Hickson/Butler/Cray/Mallory/Wilson, 1986; Imai, 1986; Mintzberg, 1990; Rhyne, 1986; Wooldridge/Floyd, 1990). Horovitz (1981) proposes that with the emergence of large diversified corporations, the formulation of strategy has become a social process, in which the role of top management is changing (Bower/Doz, 1979). The author (1981) further argues that this in turn requires a change in the interrelationship of the chief executive officer and his staff within the strategic planning process in the following three areas: (1) the specific role of the CEO becoming that of a facilitator in the process, (2) the introduction of new techniques, models and methods into the process and (3) the crucial shaping of the strategic planning process by top management over an adequate time. Bourgeois (1984) and Hambrick/Mason (1984) emphasize that executives’ strategic choices should be viewed broadly to include issues of strategy implementation throughout the organization. Hart (1992) develops an integrative framework around the roles of top managers and organizational members in the development of strategies. The author (1992: 333) further emphasizes the lack in the strategic management literature to
connect and integrate conceptualizations of corporate management and the remaining organizational managers within a firm:

“The framework is constructed around the complementary roles that top managers and organizational members play in the making of strategy. Such role definition has generally been implicit in prior literature. Where roles have been defined, the focus is either top managers or organizational members, not on how the roles interrelate.”

Doz/Prahalad (1981) analyze multinational corporations, which are fragmented into separate subsidiaries and propose the following three mechanisms to rebuild headquarters influence and thus implement a global strategy: (1) data management, (2) managers’ management and (3) conflict resolution. The authors (1981) propose that top managers in choosing the mix of mechanisms and the timing of their introduction must consider (a) the organizational orientations affected, (b) the mechanisms’ strength and symbolic value, (c) the mechanisms’ selectivity and continuity and (d) the level of top management support and involvement required. As opposed to headquarter control depicted above, Lawler (1988) focuses on employee involvement and thereby distinguishes between the following three approaches: (1) In suggestion-involvement, employees are requested to problem solve and produce ideas that will influence the operation of the organization. (2) Job-involvement comprises job enrichment or work group or team strategies. Within this type of involvement, individuals at lower levels of the organization gain more decision-making power. (3) Within the high-involvement approach, power, information, knowledge and rewards are moved to the lowest organizational level, based on the notion that individuals should be able to influence the organization and should be incentivized for it in order to care about its performance. Studying the creation of value and advantage by corporate managers, Collis/Montgomery (1998) state that a broad number of executives are focusing on individual elements of corporate strategy such as resources, businesses or organizations and thereby overlook to integrate those elements into a whole. However, the authors (1998) suggest that the essence of corporate advantage lies in the way corporate managers create value through the configuration and coordination of its multibusiness activities. Golden (1992) suggests that the SBU’s relationship with corporate management moderates the link between SBU-strategy and performance and that these CM-SBU relationships have been inappropriately
conceptualized in prior research. Golden (1992) proposes that interactions between corporate management and strategic business units either facilitate or inhibit the implementation of SBU’s intended strategies. Gupta (1987) examines the effects of SBU’s strategic missions and competitive strategies on various states of corporate-SBU relationships, which he divides into (1) mutual coordination, (2) incentive systems and (3) corporate–SBU decentralization. The author proposes that a high level of corporate diversification is associated with more formal mutual coordination of decisions between corporate and SBU managers (Bower, 1970; Lorsch/Allen, 1973) and high decentralization with functional authority largely in the hands of SBU management-levels (Vancil, 1980). Referring to the decentralization of authority to SBU-levels, Bales (1977) introduces the ‘president’s paradox’, which assumes that power and authority transfers from the corporate to the SBU-level (also: Gupta/Govindarajan, 1984; Hay/Williamson, 1997). The following quotation by Bales (1977: 17) describes this notion:

“Although decentralized profit or investment centers are usually the best way to divide large diversified companies into manageable and accountable portions, these centers may easily gain so much autonomy that chief executives and their corporate management groups become spectators rather than shapers of major strategic decisions. This is the president’s paradox.”

With regard to mutual involvement between CM and SBUs, Bales (1977) therefore proposes that unit managers must remain accountable for profitability while corporate managers maintain ultimate operational as well as financial control. Bales (1977) concludes with regard to strategic decision-making in diversified firms, that successful strategic decisions have to be made at the following three levels: (1) the corporate group makes decisions about the strategic directions of the business units; (2) the chief executive officer and the business unit manager jointly make decisions relating to SBU strategy; and (3) the SBU manager and key subordinates focus on decision-making with regard to issues of implementation.

In addition to the above contributions in the literature generally focusing on the concept of corporate-SBU interactions or specifying individual styles of corporate involvement, other authors in the field of strategic management literature attempt to

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8 Also see: Golden/Zajac (2001)
develop typologies and categorize corporate involvement behavior at the SBU-level. Hart/Banbury (1994: 253) describe this development towards typologies of corporate involvement:

“Focusing on the interaction between top managers and organizational members facilitated the identification of different processes or ‘modes’ of strategy-making.”

In the following, these typologies are briefly pointed out. Singh (1982) distinguishes between (1) democratic, (2) developer, (3) bureaucratic, (4) autocratic, (5) compromiser and (6) missionary leadership styles. Mintzberg (1973a, 1978) explores how organizations make and integrate decisions to form strategies and thereby differentiates between (1) the entrepreneurial mode, where one corporate manager takes actions on behalf of the organization, (2) the adaptive mode, in which the organization gradually adapts to environmental changes and (3) the planning mode, which relies on formal analysis and explicit planning.

Burgelman (1983a/b) develops an integrative model of the interaction of strategic behavior, corporate context and the concept of corporate strategy. This concept of corporate strategy encompasses two distinct, selective processes: (1) induced strategic behavior, which refers to administrative mechanisms corporate managers can manipulate to change the perceived interest of the strategic actors in the organization and (2) autonomous strategic behavior, which relates to middle managers taking strategic initiatives and engaging in political activities to convince corporate managers to accommodate these initiatives.

Bourgeois/Brodwin (1984) develop process models of strategy implementation, which revolve around the following five modes labeled as: (1) commander, (2) change, (3) collaborative, (4) cultural and (5) crescive models. Each process model of strategy implementation is associated with varying roles of corporate managers and organizational members. The commander model assumes corporate planning activities, normative directions and centralized resource allocation. The change model focuses on the adoption of a new strategy and emphasizes how organizational

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9 For a detailed elaboration of the typologies, see: chapter 6 (‘Results – individual links between corporate involvement and decision speed’) and chapter 7 (‘Results – aggregated links between corporate involvement and decision speed’).
structures, incentive compensations and control systems facilitate the execution of a strategy. The collaborative model concentrates on group decision-making and involves the consideration of multiple perspectives. The cultural model assumes that lower managerial levels are influenced with a set of values, which influence work-related behavior. The crescive model relies on the principal/agent theory and observes managers’ natural tendencies to develop new opportunities from within the firm.

Shrivastava/Grant (1985) describe prototypical patterns of strategic decision-making processes and distinguish between (1) *managerial autocracy*, where the decision-making process revolves around a single key corporate manager and his preferences and actions, (2) *systemic bureaucracy*, where organizational structures and regulations determine the strategic decision-making process, (3) *adaptive planning*, where long-range strategic plans are utilized and subsequently modified and (4) *political expediency*, in which groups of decision-makers form coalitions around the decision-issue, in order to protect and maximize groups’ interests.

Hart (1992) develops an integrative framework composed of the following five strategy-making modes, which are based on the contrasting roles top managers and organizational members play in the strategy-making process: (1) *command*, (2) *symbolic*, (3) *rational*, (4) *transactive* and (5) *generative*. Hart/Banbury (1994) subsequently corroborate this integrative framework. Similarly to Mintzberg’s entrepreneurial mode (1973a, 1978), the commander model assumes a strong leader or a few top managers designing strategy and pushing it down in the organization. Top managers, as ‘commanders’ formulate the strategy and provide direction, whereas organizational members as ‘soldiers’ execute the strategy and obey orders. Within the symbolic mode, corporate managers define a mission and create a vision and common perspective that guide the behavior of organizational members. Within the rational mode, formal planning systems and hierarchical relationships predominate and organizational members as ‘subordinates’ follow the system. In the transactive mode top managers’ primary role is to facilitate an interactive process of strategy formation by empowering and enabling managers at subordinate levels. Strategy-making according to the generative mode is driven by the initiative of organizational actors and corporate managers as ‘sponsors’ modifying the strategy to fit organizational requirements. Hart (1992) further specifies organizational levers available to top
managers ranging from the articulation of corporate mission and vision, on the one extreme, to concern for informal processes and people on the other, with a range of levers falling in-between such as mission, vision, goals, structure, systems, processes, people management.

According to Goold/Campbell (1987a), strategic management of a multibusiness organization heavily depends on the styles of the managers in the corporate office and their interactions with existing business units. The following quotation by Goold/Campbell/Alexander (1994: 7) describes this aspect:

“The parent’s influence on business-level plans, aspirations, and investments can provide vital stretch, specialist understanding, and tough discipline; alternatively it can promote choking constraints, crucial delays, or suicidal ambitions.”

Goold/Campbell (1987a/b) identify and Goold/Campbell/Alexander (1994) subsequently elaborate the following three corporate management-parenting styles: (1) strategic planning, (2) financial control and (3) strategic control. Within the strategic planning style (1) corporate managers are closely involved with their business units in the formulation of plans and decisions. The corporate headquarters have the final say on strategy and provide a clear overall sense of direction, within which the business units develop their strategies and set off on selected corporate initiatives (Goold/Campbell, 1987a). A fluid structure, flexible performance targets and participation of corporate management in strategic planning of business units characterize the strategic planning style, which is assumed to be most effective in firms that are seeking a broad, integrated SBU-strategy of long-term competitive advantage (Goold/Campbell, 1988; Goold/Campbell/Luchs, 1993a). Within the financial control style (2) corporate managers are strongly committed to decentralization of planning. Corporate management structures business units as stand-alone units with a high degree of autonomy and full responsibility for formulating their own strategies and plans. According to Goold/Campbell/Alexander (1994), the parent’s primary roles are to insist that decisions are ‘owned’ by the business units and that bottom-up proposals meet required financial criteria. The responsibility for strategy development rests primarily on the shoulders of SBU management levels and corporate managers avoid interference at the SBU-level, except to establish required standards of bottom-line performance (Goold/Campbell, 1987a). The financial control
style is characterized by corporate controls focusing on financial results, instead of formal long-term planning systems (Goold/Campbell, 1988; Goold/Campbell/Luchs, 1993a). The strategic control style (3) combines the two parenting styles described above. According to the strategic control style, corporate managers decentralize planning to the business units while retaining a role in checking and assessing what is proposed by the SBUs. Business units are expected to take responsibility for advancing strategies, plans and proposals in a bottom-up fashion, while corporate management may sponsor certain strategic themes, initiatives or objectives. Goold/Campbell/Alexander (1994) propose that corporate parents according to the strategic control style promote the benefits of decentralization while ensuring that the SBU’s plans are sound and complementary to the organization’s strategic direction. Strategic control aims at capturing the advantages of the strategic planning and the financial control styles while avoiding their weaknesses (Goold/Campbell, 1987a). Hence, the strategic control style is concerned with SBUs’ planning while providing autonomy and leaving initiative to business unit management-levels (Goold/Campbell, 1988; Goold/Campbell/Luchs, 1993b). The following figure displays and summarizes the main differences between the authors’ corporate parenting styles in terms of planning influence and control influence (Goold/Campbell/Alexander, 1994: 412).

The Y-axis, i.e. planning influence refers to corporate management’s formulation of plans, strategies and budgets in the businesses. It ranges from low planning influence (highly decentralized) to high planning influence (more closely involved and influential). The X-axis, i.e. control influence refers to corporate managers’ processes of control. It ranges from tight financial control (strong corporate control over the achievement of short-term financial targets) to flexible control (corporate concern with strategic goals, underlying competitive advantages and more flexible control over short-term financial targets). According to Goold/Campbell/Alexander (1994) certain corporate parents apply tight control while balancing between financial and strategic targets, which leads to tight strategic control influence.
2.2.3 Summary and discussion

This chapter has put the inductively derived concept of ‘corporate involvement at the SBU-level’ into the context of the relevant literatures. In the first subchapter 2.2.1, focusing on prevalent definitions and assumptions about the organizational set-up of corporate management and strategic business unit-levels, general conceptualizations and shared terminology for the aspect of ‘corporate management’ were introduced (Barnard, 1938; Conger/Lawler/Finegold, 2001; Mintzberg, 1973b; O’Sullivan, 2001; Simmers, 1998). For the corporate managerial unit of analysis, existing studies in the field either referred to individual chief executive officers (Golden, 1992) or collective teams of top managers (Hambrick, 1981, 1987; Hambrick/Mason, 1984). The realm of top management team research (TMT) was further described along the two subgroups of (1) internal TMT-decision-making processes (Dess/Origer, 1987; Fredrickson, 1984; Hassard, 1988; Schweiger/Sandberg/Rechner, 1989) and (2) TMT-characteristics influencing the organization and affecting firm performance.
Subsequent to the depiction of general conceptualizations of corporate management levels, specific contributions in the literature were presented. Conceptualizations for the notions of corporate parents and strategic business units were given on the basis of the work of Campbell (1999), Campbell/Goold (1999), Campbell/Goold/Alexander (1995), Goold/Campbell (1987a/b), Goold/Campbell/Alexander (1998, 1994) and Goold/Campbell/Luchs (1993a/b). Furthermore, characteristics with regard to the conceptualization of corporate parents and strategic business units were delineated. In a next step, Burgelman’s (1983a/b, 1985, 1996) conceptualizations of top, middle and lower management levels within his model of the interaction of strategic behavior, corporate context and the concept of corporate strategy were described. Lastly, the conceptualizations of corporate and strategic business unit-levels depicted in subchapter 2.2.1 (‘Corporate management and strategic business units’) were summarized in the form of three key underlying notions: ownership, business focus and interaction between corporate management and strategic business units.

In the second subchapter 2.2.2, focusing on patterns and styles of involvement, influence and interaction between corporate management levels and strategic business units, varying types and styles of corporate involvement, analyzed in the relevant literatures, were pointed out (Forgas/Kipling, 2001; Kelly/Gennard, 2001). In a first step, the emphasis was put on the specific influence of corporate managers on their organization, subordinate managers or decision-making processes within the organization (Aram/Cowen, 1986; Bourgeois/Eisenhardt, 1988; Child, 1972; Keeney, 1992; Marginson/Edwards, 1988; McNulty/Pettigrew, 1999; Norburn, 1989; Schwenk, 1988).

In a second phase, the focus was widened from illustrating corporate management’s involvement to depicting literatures on general patterns of influence and involvement between corporate managers and organizational members (Bales, 1977; Collis/Montgomery, 1998; Doz/Prahalad, 1981; Golden, 1992; Gupta, 1987; Guth/MacMillan, 1986; Hambrick/Mason, 1984; Horovitz, 1981; Lawler, 1988; Rhyne, 1986; Wooldridge/Floyd, 1990). Subsequent to portraying literature concerned
with the general effects of mutual interactions and individual sources and means of involvement, aggregated typologies and categorizations of corporate involvement behavior were depicted (Bourgeois/Brodwin, 1984; Burgelman, 1983a/b; Hart, 1992; Hart/Banbury, 1994; Shrivastava/Grant, 1985; Singh, 1982).

In a third step, corporate involvement was referred to the concept of corporate parenting brought forward by the authors Alexander, Campbell, Goold and Luchs. Differing effects of corporate parenting activities at the SBU-level were described and the three corporate parenting styles, i.e. ‘strategic planning’, ‘financial control’ and ‘strategic control’ were presented, explained and put in relation to each other.

2.3 Synthesis and conclusion

In this chapter the relevant fields of literature relating to the dissertation’s two core concepts of (1) the speed of strategic decision-making and (2) corporate involvement at the SBU-level have been depicted, examined and evaluated. In the first subchapter 2.1 (‘The speed of strategic decision-making’) the concept of decision speed as a decision process outcome and an integral part of decision-making research was deductively introduced and rooted in the realm of strategy process research. Furthermore, influencing factors and determinants of the speed of strategic decision-making were portrayed. In the second subchapter 2.2 (‘Corporate involvement at the SBU-level’) conceptualizations and definitions of corporate and SBU management levels were depicted from the literature. General patterns of corporate influence as well as corporate involvement typologies and corporate parenting styles referring to the dissertation’s inductively derived concept of corporate involvement were presented and discussed. The following figure displays the overall realms of literature the dissertation’s research approach touches upon.

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10 See paragraphs above for detailed list of literature sources by Alexander, Campbell, Goold, Luchs
The preceding sections have made transparent that the concept of decision speed and corporate involvement are recognized and established in the relevant fields of literature. The aim of the dissertation lies in explaining variations in the speed of strategic decision-making at the SBU-level on the basis of varying effects of corporate involvement behavior. Despite the fact that the concept of strategic decision speed is established in the literature and thus deductively introduced to the dissertation, an enormous gap in reference to the conceptualization of SBU-specific decision speed is visible in the current realm of literature. Here, the dissertation seeks to contribute by specifically applying the accepted concept of strategic decision speed to the level of the strategic business unit.

Figure 2-4: Literature review on decision speed and corporate involvement
Despite existing research contributions on corporate behavior and involvement styles at the organizational level, only a low number of contributions provide integrative conceptualizations of corporate involvement activities. Thus, the dissertation adds and contributes to the relevant fields of literature by inductively conceptualizing the concept of corporate involvement at the SBU-level and deriving nine means and three modes of corporate involvement from the dissertation’s empirical data material, which in turn link to existing conceptualizations in the literature.\footnote{For a detailed elaboration of the link between empirically conceptualized corporate involvement means/modes and prevalent conceptualizations in the literature, see: chapter 6 (‘Results – individual links between corporate involvement and decision speed’) and chapter 7 (‘Results – aggregated links between corporate involvement and decision speed’)} Furthermore, the dissertation seeks to contribute to the individual fields of literature, by connecting the separate realms of literature and retrieving findings on the effects of the newly conceptualized corporate involvement behavior on the speed of strategic decision-making at the newly focused on strategic business unit-level. With regard to the relevant literatures, the dissertation seeks to contribute in a threefold way: (1) advancing the deductively introduced concept of strategic decision speed by applying and transferring it to the strategic business unit-level, (2) providing an integrative understanding of corporate involvement by inductively conceptualizing corporate involvement activities at the SBU-level and (3) connecting the above two fields by retrieving findings on the effects of corporate involvement behavior on the speed of strategic decision-making at the SBU-level.
3 The empirical setting

This chapter discusses the empirical data setting of the dissertation. It is divided into two sections and illustrates the research site as well as the data sources. The following figure visualizes the outline of this chapter as well as its key contents.

![Outline of chapter three – ‘The empirical setting’](image)

The first section illustrates the selection criteria of the dissertation’s research site and displays the selection process of the data sample. This includes a description of the research firms observed and a clarification of how the research subjects match the selection criteria. The second section offers an outline of the process of data collection and specifies the sources drawn on.

### 3.1 Research site selection

Regarding the realization of the dissertation’s empirical study, major attention was put on the selection of the data sample as well as the identification of the group of interviewees. In order to guarantee a high degree of generalization of the theory derived, the construction of the data sample had to take numerous requirements into consideration. The strategy processes of five corporations were observed with regards to the used terminology relating to corporate involvement and strategic decision speed. In order to ensure a high degree of significance of the codes and constructs derived, the following requirements regarding the data sample were considered: (a) The
existence of an organizational link between corporate-level management and strategic business units (SBU), (b) a high variety and diversity of the data with large and abundant sources of samples and (c) a dynamic industry environment, which makes fast strategic decisions a vital factor for the well-being and performance of a firm. Requirement (a) leads to selecting multibusiness diversified firms. Requirement (b) refers to the methodology of grounded theory and t.o.p.GRID and is vital for generalizing the findings. Requirement (c) extends and broadens Eisenhardt’s (1989a) concept of ‘high velocity environments’ and provides the overall link between strategic decision speed and firm performance. All five selected firms of the data sample fulfilled the requirements. In the following it will be illustrated how the selection of the research sites accounts for these requirements, i.e. how the selected firms meet the overall sample requirements.

The first requirement (a) considered is the organizational link between corporate-level management and strategic business units. As pointed out before, the dissertation focuses on the observation and analysis of corporate involvement at the SBU-level within a firm’s strategy process and its impact on SBU-decision speed. The observation of this phenomenon requires the existence of a minimum of one corporate management level as well as at least one strategic business unit-level prevalent in each research site observed. Furthermore, it is mandatory for analyzing the impact of corporate involvement on SBU-decision speed, that there is some form of interaction and exchange between the two managerial levels – otherwise no influences of involvement and the perception thereof at both levels could be detected.

The second requirement (b) calls for a high variety and diversity of the data with large and abundant sources of samples. The application of the grounded theorizing methodology requires an essentially high number and diversity of data samples in order to generate meaningful theories and to facilitate the deriving of categories from the coding procedure. This is done by increasing the number of units of analysis involved, which can be carried out in a twofold way: (1) by increasing the number of observed organizational links between corporate managerial levels and strategic business units or (2) by increasing the number of firms researched with such organizational links. Both ways were applied in the dissertation: (1) when conducting interviews at the SBU-level, the number and broadness of strategic business units
involved was kept as high as possible. In addition, (2) the research was conducted in five multibusiness, diversified firms, which is considered high, given the twofold interview-approach, i.e. grounded theory- and t.o.p.GRID-interviews as well as the great depth of analysis.

The third requirement (c) claims that the firms observed are in a *dynamic industry environment*. The concept of fast strategic decision-making becomes especially relevant in dynamic industry environments since fast decision speed allows maneuvering more freely within strategic windows of competitive actions. Especially in dynamic industries, the speed of strategic decision-making becomes a source of competitive advantage and therefore vitally influences the overall performance of a firm (Eisenhardt, 1989a; Porter, 1985). This in turn legitimizes research on decision speed determinants. Judge/Miller (1991: 452), who refine and extend Eisenhardt’s study (1989a), conclude that fast decisions are associated with higher performance only in high velocity environments but not in others:

“In low-velocity environments, decision speed is less likely to be critical to financial performance.”

As opposed to the dissertation’s notion of a ‘dynamic industry’, Eisenhardt describes high velocity environments as follows (1989a: 570):

“Such environments are particularly challenging because information is poor, mistakes are costly, and recovery from missed opportunities is difficult.”

She proposes, “the greater the speed of the strategic decision process, the greater the performance in high-velocity environments”, which is quantitatively corroborated by Judge/Miller (1991). Bourgeois/Eisenhardt (1988: 816) define high velocity environments as those in which

“changes in demand, competition, and technology are so rapid and discontinuous that information is often inaccurate, unavailable, or obsolete.”

When illustrating the high velocity environments, Bourgeois/Eisenhardt (1988) and Eisenhardt (1989a) describe the microcomputer industry; Judge/Miller (1991) refer to biotechnology firms, hospitals and textile companies. Since the dissertation seeks to extend and broaden the applicability of strategic decision speed beyond this narrow view of ‘high velocity environments’, the following aspects are subsumed under ‘dynamic industry environments’ in this dissertation: deregulation, liberalization, elements of e-commerce and the New Economy, globalization, new market entrants,
high rivalry within the industry and faster lifecycles with regards to products as well as organizational development.

The following figure summarizes the three requirements set forth by the above perspectives concerning the selection of the data sample:

(a) Organizational link between corporate-level management and strategic business unit (SBU)
(b) High variety and diversity of data with large and abundant sources of samples
(c) Organizations in dynamic industry environments, where fast strategic decision speed matters for the overall firm performance

Concluding from the general requirements of the data sample, the focus in the dissertation is put on dynamic industry environments and multibusiness, diversified firms with a multitude of organizational links between corporate-level management and strategic business units. The research site specifications ensure that strategic decision speed is a relevant concept in the firm’s settings and is therefore worthwhile observing. In addition, this selection also provides the necessary abundance and variety of data, indispensable for deriving fruitful concepts from the empirical material and successfully developing mid-range theory.

The research sample consists of the following five companies, all of which have an organizational link between corporate management and SBU-levels and operate in dynamic industry environments.

- Asea Brown Boveri Ltd. [ABB]
- Grey Global Group Inc [Grey]
- Information Management Group AG [IMG]
- Lufthansa German Airlines / Deutsche Lufthansa AG [LH]
- Mummert + Partner Unternehmensberatung AG [M+P]

Switzerland-based Asea Brown Boveri operates in the fields of automation, energy as well as financial services. Lufthansa German Airlines represents a company in the aviation industry, which includes fields such as transportation, logistics, catering and IT services. The remaining three organizations represent professional service firms
The empirical setting according to the conceptualization by Müller-Stewens/Drolshammer/Kriegmeier (1999) as brain-driven, knowledge-intensive professional business service providers (also: Löwendahl, 1997). Their business fields are marketing (Grey) and process-/IT-consulting (IMG, M+P). The broad range of dynamic industries in the dissertation’s sample increases the diversity of data and allows for cross-industry comparisons between e.g. professional service firms and non-professional service firms. The following paragraphs provide a general description of the five organizations and illustrate in greater detail how they match the specifications required by the selection of the research site.

3.1.1 ABB Asea Brown Boveri Ltd.
ABB Asea Brown Boveri (ABB) based in Switzerland serves manufacturing, process and consumer industries, utilities and the oil and gas market sector in more than 100 countries. In the year 2000 the group’s total earnings before interest and taxes (EBIT) were $1,385 million. The group’s total revenues were $22,967 million, out of which 55 percent were generated in Europe, 25 percent in the Americas, 12 percent in Asia and 8 percent in the Middle East and Africa. Worldwide 160,000 people are employed with ABB, out of which 65 percent are located in Europe, 17 percent in the Americas, 11 percent in Asia and 7 percent in the Middle East and Africa. With regard to the organizational structure, ABB is divided into the following six segments: (1) automation, (2) power transmission, (3) power distribution, (4) building technologies, (5) oil/gas & petrochemicals and (6) financial services. Each of these segments is in turn divided into business areas and functions, which are aligned according to fields of businesses and country-areas. The segments are highly autonomous with regard to decision-making and strategic planning, which is due to the high degree of

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12 The data presented in this chapter, relating to ABB company information is based on ABB Annual Reports 2000 and 1999 at the group and segment level (ABB Group, 2000a/b; ABB Financial Services, 1999; ABB Business Services, 2000) as well as on ABB’s internet-website www.abb.com. Due to reorganizations and a change in CEOs in the year 2001, the structure and strategic alignment of ABB has considerably changed in comparison to the structure shown here.

13 For example, the financial services segment consists of the following five business areas: treasury centers, leasing and financing, insurance, structured finance and equity ventures (ABB Financial Services, 1999).
The empirical setting

decentralization and delegation of responsibility established within the ABB group structure. In the following sections the segments are briefly illustrated:

(1) The ABB *automation segment* headed by Jouko Karvinen supplies automation systems and solutions such as drives, motors and power electronics, instrumentation and control products such as analyzers, metering equipment and robotics products as well as application expertise and integrated project management for system delivery. With 45,226 employees, customers in pulp and paper, utilities, pharmaceuticals, petroleum, chemicals, metal and minerals and the automotive and marine sectors are supplied. In the year 2000, the ABB automation segment earned $486 million before interest and taxes (EBIT). The automation segment’s revenue of $7,465 million was generated in Europe (52 percent), the Americas (30 percent), Asia (13 percent) and the Middle East and Africa (5 percent).

(2) The ABB *power transmission segment* headed by Sune Karlsson is the world’s largest supplier to the power transmission industry, which delivers high voltage electricity from power plants to consumption areas. The segment’s products and services range from air- and gas-insulated switchgear solutions, to high-voltage direct current systems, reactors, power transformers and maintenance operations. In the year 2000, the 20,766 employees generated $262 million in earnings before interest and taxes. Customers are primarily electrical utilities “operating in rapidly deregulating and liberalizing power markets” (ABB Group, 2000a: 15). The power transmission segment’s revenue of $3,315 million was generated in the Americas (43 percent), Europe (32 percent), Asia (15 percent) and the Middle East and Africa (10 percent).

(3) The ABB *power distribution segment* delivers integrated power distribution solutions, i.e. hardware, software, financing and consulting activities to electrical energy consumers and power-distribution companies who link high-voltage power transmission systems to medium and lower voltage end customers. In the year 2000, within the power distribution segment 17,396 employees generated $182 million in earnings before interest and taxes. Similar to the power transmission segment, the group of power distribution customers is primarily in the highly competitive and deregulating energy markets, including growing markets for alternative energy technologies. Sune Karlsson, head of both ABB’s power-related segments states with
regard to the dissertation’s requirement of dynamic industry environments (ABB Group, 2000a: 16):

“Our extensive experience in deregulating markets around the world helps us respond to our customers faster with new technologies that expand our position in this dynamic market.”

This quotation also emphasizes the importance of the speed of strategic decisions in such dynamic environments. The power distribution segment’s revenue of $2,830 million was generated in Europe (37 percent), the Americas (31 percent), Asia (16 percent) and the Middle East and Africa (16 percent).

(4) The ABB building technologies segment headed by Armin Meyer supplies solutions to manage energy, data, security and other building systems for commercial and residential property. In addition, it provides low-voltage products and systems such as switches, control products and circuit breakers, air handling equipment and a variety of repair and maintenance service solutions. In the year 2000, the 55,560 employees generated $456 million in earnings before interest and taxes. The building technologies segment’s revenue of $5,889 million was generated in Europe (76 percent), Asia (11 percent), the Americas (8 percent) and the Middle East and Africa (5 percent).

(5) The ABB oil, gas & petrochemicals segment headed by Gorm Gundersen provides technology along the value chain of the oil and gas industry, by supplying refineries and petrochemical plants, sub-sea and floating production systems, compressor stations and the corresponding maintenance and modification of off- and on-shore facilities. In the year 2000, the 11,549 employees generated $169 million in earnings before interest and taxes. The oil, gas & petrochemicals segment’s revenue of $2,796 million was generated in the Middle East and Africa (37 percent), Europe (30 percent), the Americas (25 percent) and Asia (8 percent).

(6) The ABB financial services segment headed by Jan Roxendal supports ABB’s industrial businesses and third-party customers with financial solutions in structured finance, leasing, project development, financial consulting, insurance and treasury activities. With operations in all major markets of the world, customer and market characteristics can rapidly change. This emphasizes the relevance of decision speed in
dynamic industry environments. Jan Roxendal accentuates this link between speed and competitive advantage (ABB Group, 2000a: 19):

“Our ability to manage and respond quickly to global change and our deep understanding of business and finance in a wide range of industries is a unique competitive advantage.”

In the year 2000, the 1,125 employees generated $349 million in earnings before interest and taxes. The financial services segment’s revenue of $1,966 million was generated in Europe (84 percent), the Americas (14 percent), Asia (1 percent) and the Middle East and Africa (1 percent).

These six organizational segments presented above, account for the conceptualization of strategic business units in the empirical study. They are directed and steered by ABB’s ‘Executive Committee’, which represents the corporate-level management and is considered in reference to the notion of corporate involvement in this dissertation. Jörgen Centerman, who is the current president and chief executive officer, heads ABB’s executive committee. Furthermore, the executive committee is comprised of ten additional senior managers in the rank of executive vice presidents, which are responsible for the following activities and fields of businesses: group transformation, group processes, chief financial officer, oil/gas & petrochemicals, automation technology products, process industries, financial services, manufacturing and consumer industries, utilities and power technology products.14

The following table summarizes the general information on ABB Asea Boveri Brown Ltd. presented above. The table will follow a twofold approach: In the first part of the table, general key figures of the organization are provided. In the second part the match between the firm’s characteristics and the research site requirements are depicted.

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14 The grouping and the members of ABB’s Executive Committee have changed over the time period 2000 to 2001 due to the reorganization initiated by the new CEO Jörgen Centerman.
Table 3-1: Company profile - ABB Asea Brown Boveri

<table>
<thead>
<tr>
<th>Sector</th>
<th>Revenue ($ million)</th>
<th>EBIT ($ million)</th>
<th>Number of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABB Asea Brown</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ABB Group</td>
<td>22,967</td>
<td>1,385</td>
<td>160,818</td>
</tr>
<tr>
<td>Automation</td>
<td>7,465</td>
<td>486</td>
<td>45,226</td>
</tr>
<tr>
<td>Power Transmission</td>
<td>3,315</td>
<td>262</td>
<td>20,766</td>
</tr>
<tr>
<td>Power Distribution</td>
<td>2,830</td>
<td>182</td>
<td>17,396</td>
</tr>
<tr>
<td>Building Technologies</td>
<td>5,889</td>
<td>456</td>
<td>55,560</td>
</tr>
<tr>
<td>Oil, Gas &amp; Petrochemicals</td>
<td>2,796</td>
<td>169</td>
<td>11,549</td>
</tr>
<tr>
<td>Financial Services</td>
<td>1,966</td>
<td>349</td>
<td>1,125</td>
</tr>
</tbody>
</table>

a) Organizational link between corporate management and SBU-level

- **Corporate management level**
  - executive committee: eleven senior managers (CEO, CFO, executive vice presidents)

- **Strategic business unit level (SBU)**
  - six segments: automation, power transmission, power distribution, building technologies, oil/gas & petrochemicals, financial services

b) High variety and diversity of data

- **Cross-industry**
  - broad range of customer- & industry-segments

- **Cross-country**
  - serving more than 100 countries

- **Diversification**
  - high diversification-degree & numerous SBUs

c) Dynamic industry environments where decision speed matters

- **Dynamic industry characteristics**
  - deregulation, liberalization, globalization
  - new market entrants/high rivalry within industry

Sources of data: ABB Group (2000a/b), ABB Business Services (2000)

Table 3-1: Company profile - ABB Asea Brown Boveri
3.1.2 Grey Global Group Inc.

Since the company’s formation in 1917, Grey Global Group and its subsidiaries are engaged in the planning, creation, supervision and placing of advertising. The Grey Global Group is headquartered in New York City and its primary business activities consist of providing advertising and marketing communications services to clients on a local and international basis. This involves developing advertising and marketing plans, the distribution or utilization of the client’s products or services and the use of various media. Grey creates advertising, prepares media recommendations and places advertising in the media. In addition, it also provides services relating to marketing consultation, audio-visual production, database management, direct marketing, interactive consulting, market research, public relations and sales promotions. Grey Global Group serves customers in a broad range of industries, e.g. the apparel, automobile, beverage, chemical, communications, computer, corporate services, electrical appliances, entertainment and media, home furnishing, healthcare, publishing and retailing sector. Subordinate to the headquarters of the Grey Global Group Inc., there are 409 agencies operating in 90 countries and employing 10,000 people. In the year 2000, the group’s total revenues were $8,300 million, the net income $27 million. The Grey Global Group is characterized by a subsidiary network structure integrating six highly decentralized business segments. With regard to the regional structure, Grey Global Group and the six business segments are divided into the following three different business areas, which are geographically spread around the world: the Americas (North- and South-America), EMEA (Europe, the Middle East, Africa) and Asia Pacific. Due to the high degree of decentralization, each country has its own organizational structure including a corporate-level management as well as an SBU-structure, which corresponds to the global group’s six business segments. These country-related organizational units are directly linked to the Grey Global Group by corporate contracts and 49-51-percent partnerships. The central focus of the dissertation’s empirical study is put on the EMEA-region (Europe, the Middle East, Africa), which is headquartered in Düsseldorf (Germany) and London (United

The empirical setting

Kingdom). Special emphasis is put on the relationships between corporate- (Grey Global Group) and SBU-level management (six business segments) within the Swiss market. The six business segments mentioned above include (1) Grey Worldwide, (2) GCI, (3) APCO, (4) Grey Direct Concept, (5) Grey Interactive and (6) Mediacom. In the following sections the segments are briefly illustrated, whereby special consideration is given to the specific circumstances in the Swiss market (EMEA-region):

*Grey Worldwide Switzerland* (1) headed by Stefan Vogler provides advertising products and services to a broad range of customers in varying industries. By linking and integrating the services of the other Grey business segments in the Swiss market, Grey Worldwide Switzerland also represents the Grey Global Group as a corporate management unit. Besides influencing, coordinating and measuring the associated Grey-SBUs, it also realizes synergies between them by combining its own product portfolio with the ones of the SBUs.

*GCI Switzerland* (2) headed by Dr. Mark Sommerhalder provides public relation services to corporate, consulting, healthcare, financial, technology and consumer customer groups. It is directly linked to Grey Global Switzerland by a 49–51-percent equity swap. In addition, it also reports to the GCI EMEA headquarters in Düsseldorf.

*APCO Worldwide* (3) specializes in public affairs, issues management, litigation support, cross-border mergers, acquisitions and government & community relations. A separate subsidiary of APCO does currently not exist in the Swiss market. However, an office in Berlin/Germany represents the public affair segment for Grey in the German-speaking part of the EMEA region.

*Grey Direct Concept* (4) headed by Jürg Koller offers digital and analog direct marketing solutions, e-marketing solutions, database marketing and other means of customer relationship management. It is directly linked to the Grey Global Group Switzerland and therefore is influenced by the corporate-level management in Zürich.

*Argonauts AG / Grey Interactive* (5), which is linked to Grey Global Group Switzerland provides interactive solutions in internet, e-commerce and online
marketing. From a strategic perspective, Grey has been one of the first agencies, which has focused on the development of internet and e-commerce activities with regard to external customers’ processes as well as internal ones.

_Mediacom_ (6) provides media-related services such as media planning and tactics to exploit uncommon opportunities in the media world.

The structure of the Grey Global Group network represents that of a typical professional service firm (Løwendahl, 1997; Müller-Stewens/Drolshammer/Kriegmeier, 1999). Professional service firms are differentiated by the following characteristics: (1) **Brain-driven and knowledge intensive:** The process of value creation rests to a large extent on human beings and their professional experience as opposed to the traditional application of machines in industrial organizations. (2) **Professional business service:** The aspect of business service implies that a non-public firm provides services to other private companies and organizations as well as to public institutions. (3) **Professional service:** Professional service firms are characterized by providing professional services, which have the following connotations:
(a) professional services are intangible, i.e. not perceivable before they are actually consumed,
(b) heterogeneous and variable,
(c) customized according to the specific customer needs,
(d) not tradable, i.e. only directly distributed.
(e) There is asymmetry of information between customer and service provider since
(f) the quality of the service as well as the qualification of the provider is hardly transparent to the customer.
(g) The professional service is simultaneously produced and consumed and has economic effects on behalf of the customer.

As described above, Grey Global Group is a flexible network, which integrates a high number of varying agencies. Each agency, i.e. SBU is organized as an individual profit center and has a high autonomy with regard to strategic planning and decision-making activities. Therefore, Grey’s corporate involvement activities at the SBU-level primarily focus on the definition of performance figures and how to break them down
along specific fields of business. Within the national organizational structure, these financial target figures are negotiated and further broken down. The leadership style prevalent in the organization greatly rests on informal and personal relationships across varying levels of the organization. Several processes are decentralized and content-related autonomy at the SBU-level is high. This flexible organizational structure enables the SBUs to freely develop their own strategic contents and to introduce them to the corporate-level management and the remaining part of the organization. At the same time, Grey also coordinates its SBUs by formal means such as institutionalized reporting-systems, consisting of business plan meetings, quarterly forecasts and benchmarking analyses. Business plan meetings are held on an annual basis. Each agency creates a planning document with the status quo of its current business activities, planned future strategic activities and the corresponding amount of financial resources required. These planning documents are presented and discussed at the corporate management country level, i.e. the regional representation of the Grey Global Group, Inc. The individual SBU business plans are summarized by regional corporate managers, which in turn present their aggregated business plan to the corporate-level management at the next higher level headquarters. The aggregated business plans illustrate recent business developments, strategic goals and financial figures. Business plans are created for a planning horizon of five years, but are adjusted and modified on an annual basis. The results of these corporate-SBU discussions are subsequently played back to the agencies affected at the regional level. Regional modifications and adjustments of the strategic and financial goals are carried out and a budgeting plan is generated. The following figure depicts the interactions between corporate and SBU managers within the Grey Global Group strategic planning process.

16 For Switzerland this position is currently held by Mr. Stefan Vogler, who is also chairman and managing partner of Grey Worldwide in Zürich, Switzerland.
The empirical setting

Figure 3-2: The strategy process at Grey Global Group

The annual business meetings are complemented with quarterly financial reporting by each network-agency to the Grey Global Group’s country representation. Within a quarterly forecast customer data, profitability figures and the qualitative measure ‘IQ-growth’ are observed and analyzed. IQ-growth is a financial figure specifically developed by Grey Europe, which includes the following measures: people management, new businesses, client webs and projects, knowledge management, infrastructure and skill-portfolio (Grey Global Group Switzerland, 1999). An IQ-growth sheet focuses on these figures regarding the preceding three months as well as a forecast for the upcoming quarter.17

In addition, benchmarking analyses resting on the aggregated figures of the quarterly forecasts are carried out on an annual basis. They are initiated by the regional corporate management and performed by the individual SBUs. These benchmarking

17 For an example of a Grey-‘IQ-growth sheet’, see: appendix 1, p. 349
analyses allow for a comparison of performance, growth and profitability figures between different agencies and also include those of external competitors.

Besides these formal planning instruments, which directly affect the behavior of the SBU managers involved, there are also several forms of indirect incentive-systems, which promote and support the progress of certain strategic issues. Incentive-systems are generally defined on the country-level since local circumstances are taken into consideration. The corresponding incentive-system in Switzerland is called the “leader of leaders” program. All country-level agencies participate in this contest and are measured monthly according to the following criteria: revenue, new customer acquisition and new client projects. Besides the allocation of regular credit points for the criteria above, special rewards are allocated for the development of new strategic ideas and initiatives. At the end of the year the “leader of leaders” is chosen according to the highest number of credit points received.

The following table summarizes the general information of the Grey Global Group presented above. The table follows a twofold approach: In the first part of the table general key figures of the organization are displayed, followed by an illustration of the match between the firm’s characteristics and the research site requirements.
### Table 3-2: Company profile - Grey Global Group

<table>
<thead>
<tr>
<th></th>
<th>Revenue ($ million)</th>
<th>Net Income ($ million)</th>
<th>Number of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grey Global Group</td>
<td>9,000</td>
<td>27</td>
<td>10,000</td>
</tr>
<tr>
<td>Grey Worldwide</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GCI Switzerland</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>APCO Worldwide</td>
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<td></td>
<td></td>
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<tr>
<td>Grey Direct Concept</td>
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<tr>
<td>Argonauts AG</td>
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<td></td>
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<tr>
<td>Mediacom</td>
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<td></td>
</tr>
</tbody>
</table>

**a) Organizational link between corporate management and SBU-level**

- **Corporate management level**

- **Strategic business unit level (SBU)**
  - six business units/agencies: (1) Grey Worldwide (advertising), (2) GCI (public relations), (3) APCO (public affairs), (4) Grey Direct Concept (direct marketing), (5) Argonauts (internet), (6) Mediacom (media services)

**b) High variety and diversity of data**

- **Industry/country**
  - heterogeneous customers in 90 countries

- **Decentralization**
  - SBUs with high strategic autonomy

- **Diversification**
  - high diversification-degree & numerous SBUs

**c) Dynamic industry environments where decision speed matters**

- **Dynamic industry characteristics**
  - globalization, changing customer demands
  - new market entrants/high rivalry within industry

3.1.3 Information Management Group AG

The Information Management Group (IMG) is a consulting company specialized in e-business with over 15 subsidiaries in Europe, Asia and the United States. In the year 2000, IMG, headquartered in St.Gallen, Switzerland, generated a turnover of $76 million with 620 employees. By applying solutions such as global IT-management, customer relationship management, supply chain management, e-commerce and enterprise management, IMG supports its customers in the development and implementation of integrated customer-supplier relationships. These customer solutions are grouped around eight product-related business fields, which are internally referred to as ‘service lines’. Horizontally overlapping to the eight service lines, there are the following four business units, which are referred to as ‘industry practice groups’: (1) financial institutions, (2) consumer products, trade and service, (3) chemicals and life science and (4) manufacturing industries. In addition to the organizational layers described here, there is a business technology entity, which works across industries in the field of software products and programming support. Integrated within the matrix-structure illustrated here, there are numerous profit centers, which are regionally spread out and have a high degree of autonomy with regard to strategic planning and decision-making. The fact that IMG is in a dynamic industry environment where strategic pace is a vital factor, is depicted by the following quote of the chief technology officer and co-founder Österle (IMG, 2001: 1):

“The transition from the industrial to the information age has uncovered extraordinary opportunities for the proactive and the quick and fundamental dangers for those who cannot take the pace.”

In the following sections the strategic business units (industry practice groups) are briefly illustrated.

The business unit financial institutions (1) is comprised of 70 consultants and is represented in Europe, America and Asia. It offers strategic consulting services

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18 The data presented in this chapter, relating to the Information Management Group (IMG) is based on IMG company brochures (IMG, 2000; IMG Consulting, 2000; IMG eBusiness, 2000; IMG E-commerce, 2000; IMG Promet, 2000) as well as on IMG’s internet-website www.img.com
primarily to banks and insurance companies and the development and implementation of end-to-end processes and systems in the e-business area.

The consumer products, trade and service business unit (2) provides customers in the following industries: fashion and sports, fast moving consumer goods, retail, mail order business and utilities. By developing internet portals, IMG assists producers in directly communicating with their retail customers.

The chemicals and life sciences business unit (3), which supplies customers in the chemicals, agriculture and pharmaceutical industries consults in matters of strategy formulation and provides solutions based on SAP and related technologies.

The business unit manufacturing industries (4) supplies customers in the high-tech, electronics, paper, metal, wood and telecommunication industries, which are faced with dynamic market changes and therefore require new product developments and productivity and quality improvements.

As described above, the organizational structure of IMG is threefold: eight service lines, four business units (industry practice groups), which are spawned across three core markets, i.e. Europe, Asia and the United States. This matrix-like organizational structure creates a number of independently operating profit centers with a high planning and decision-making autonomy. This diverse network of entrepreneurial entities is steered by a relatively small ‘IMG corporate center’, which is comprised of forty senior-level managers. The IMG corporate center provides the following services: corporate development, marketing, controlling and accounting, human resource management, IT-services as well as knowledge management. The interaction between corporate-level managers and SBU managers is mainly carried out on the basis of defined financial targets as well as the negotiation thereof. The primary performance figures are included in a ‘balanced scorecard’, which is also used as the underlying basis to compare and award or sanction the business units involved.19

Similar to the Grey Global Group, IMG can be characterized by a decentralized leadership style, which strongly rests on giving autonomy and freedom to the business units, thereby encouraging them to seek more freely for entrepreneurial challenges.

19 For an example of an IMG-‘balanced scorecard’, see: appendix 2, p. 350
Corporate coordination and involvement activities with regard to strategic planning are also carried out on the basis of an institutionalized, formal strategic planning process, which is divided into nine phases. According to a top-down-bottom-up procedure, the following strategic issues and activities are dealt with at pre-defined points in time: defining the corporate vision and strategy and generating 3-year and 1-year-plans in an iterative way. The results of these strategy meetings are discussed, modified and reintroduced to the organization and the next strategy meeting. Furthermore, these modified results are then entered into the financial management and monthly controlling system of IMG.

The ten-step planning process, illustrated in appendix 3, facilitates corporate control over the SBUs and allows for an analysis of past as well as future business developments. In addition, it is designed flexibly, which permits strategic ideas to emerge within the formalized planning process.

Besides the influence of formal planning processes, IMG’s corporate management also influences SBUs by a broad range of incentive-systems. Managers’ salaries have a substantial variable fraction, depending on operational performance figures as well as other significant figures from the balanced scorecard. SBU managers are strongly incentivized to act freely with regard to the development of strategic issues. Furthermore, employees are financially incentivized through corporate stock-options. By issuing corporate stock-options, IMG follows several purposes: it attracts potential employees, internal corporate-SBU interactions can be coordinated and existing employees are motivated by the financial incentive.

The following table summarizes the general information of the Information Management Group AG (IMG) and illustrates how IMG’s characteristics match with the research site requirements stated above.
3.1.4 Lufthansa German Airlines

Lufthansa German Airlines (Deutsche Lufthansa AG), headquartered in Cologne, Germany, represents a group of companies, which offers, alongside its core business of flying passengers and cargo, other aviation-related services such as inflight catering, aircraft maintenance and overhaul and travel-related information.
The empirical setting

technology. It has become an aviation group with seven business areas, employing more than 69,000 people and generating revenues of $14,000 million. The business units operating underneath the group-level are small, dynamic units with a high degree of flexibility and autonomy with regard to strategic planning and decision-making issues. The liberalization of air transport, triggered by deregulation in the United States in 1978 and completed by liberalization in Europe ten years later, has forced airlines to focus more on speed and market requirements. Lufthansa has responded by restructuring its corporate organization into the strategic business fields briefly mentioned above and further elaborated in the following paragraphs. Today, Lufthansa in combination with its Star Alliance partners is one of the major airlines and a pacemaker for the whole aviation industry. In the following sections the main strategic business areas are briefly illustrated.

The first SBU passenger business (1) consists of Lufthansa German Airlines and Lufthansa City Line. Lufthansa German Airlines, also a founding member of the Star Alliance, operates as an autonomous business unit within the Lufthansa Group. The airline serves 349 destinations in 94 countries with a fleet of 240 aircraft and a staff of more than 30,000 employees. It also maintains its own airport stations, handling check-in, ticket sales and other airline transport services. Lufthansa City Line, which is a fully owned subsidiary of the Lufthansa Group since 1993, operates one third of Lufthansa’s flights within the European network. In the year 2000, Lufthansa City Line carried 5.7 million passengers.

The logistics SBU (2) is primarily represented through Lufthansa Cargo, which markets and handles the transportation of cargo and mail in the Lufthansa Group. Lufthansa Cargo’s air services are supplemented with those of its alliance partners as well as its own trucking services. Lufthansa Cargo, which currently ranks number one among the IATA carriers with regard to its revenue of $2,300 million, has coped with

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The empirical setting

the intensified and dynamically changing competition by introducing new products in the form of time-definite services ensuring shipment delivery within specified time-frames. In the year 2000, Lufthansa Cargo and its 5,342 employees have generated a profit of $205 million.

The maintenance repair overhaul (MRO) business unit (3) consists of various companies and is primarily represented through Lufthansa Technik, which supplies maintenance and repair for commercial airliners. MRO services and overhauls aircraft, aero-engines, electric equipment and components. In the year 2000, Lufthansa Technik employed 10,551 people, generated revenues of $2,040 million and a profit of $91 million. With its more than 100 MRO-stations around the world, Lufthansa Technik encompasses a customer base of 260 carriers.

The catering business unit (4) represented by LSG Lufthansa Service Holding AG, operates under the LSG Sky Chefs brand and is the world-leader in the airline catering business with a market share of 34 percent. From 220 kitchen-stations around the world, it supplies more than 260 airlines with inflight menus. It also consists of a food processing and logistics sector, which deals with the preparation and disposal of menus, drinks and magazines. LSG, which has 13,019 employees, generated revenues of $950 million and a profit of $35 million in the year 2000.

The leisure travel business unit (5) within the Lufthansa Group is primarily represented by C&N Touristic AG, which as of June 2000 has been renamed in Thomas Cook AG. This leisure travel organization encompasses 30 tour operators, including Neckermann Reisen, Aldiana, Terramar, Bucher Reisen, Kreutzer Touristik as well as the charter airlines Condor, JMC Airlines and Sun Express with a fleet of 85 aircraft. C&N Touristic also has 4,000 travel agencies worldwide and more than 73,000 hotel beds. In the fiscal year of 1999/2000 C&N has generated revenues of $4,500 million and a net profit of $38 million.

The IT services business unit (6) is represented by Lufthansa Systems Group GmbH, which supplies IT solutions in the airline and aviation industry. The organization is split into the following three business areas: airline, aviation and infrastructure. With a
staff of 1,800, Lufthansa Systems has generated revenues of $400 million and a profit of $23 million in the year 2000.

The ground services business unit (7) is mainly represented by the fully owned Globe Ground GmbH. Its activities range from passenger, aircraft and cargo handling to security checks and other airport-related operations. Together with 50 affiliates, this Lufthansa business unit serves more than 400 customers at 85 airports around the world. With 5,850 employees, Globe Ground has generated revenues of $250 million and has encountered a loss of $12 million in the year 2000.

The corporate-level management at Lufthansa is comprised of several layers. The highest level is the executive board with the following four members: the CEO Dr.-Ing. Jürgen Weber, the CFO Dr. Karl-Ludwig Kley, the chief executive for human resources, Stefan Lauer and the chief executive for the passenger business Wolfgang Mayrhuber. The next level consists of the 50 most senior managers in the Lufthansa Group, who either are on a chief executive level or directly report to this level. With regard to strategic matters the corporate management level of the Lufthansa Group is represented through the corporate development department, which also directly reports to the CEO. Within this department, internally referred to as CE, the group’s strategic planning is carried out and financial targets and requirements are defined in accordance with the executive board. The following section elaborates this structure and the interactions taking place between the SBUs described above and Lufthansa’s corporate management.

As described at the beginning of this chapter, the Lufthansa Group is divided into seven business areas, which in turn are split up into several, legally independent subsidiary-companies.\(^{21}\) Lufthansa German Airline’s function is twofold. On the one hand it represents the Lufthansa Group holding company. On the other hand, Lufthansa German Airlines is an integral part of the holding, by handling and performing the passenger business, which represents the largest operational single company within the group. It is an autonomous sub-unit, which is fully held

\(^{21}\) For example, the business unit maintenance repair overhaul (MRO) consists of ten legally independent companies, such as among others the fully owned Lufthansa Technik, Lufthansa Airmotive Ireland Holdings Ltd. and Lufthansa A.E.R.O GmbH (Lufthansa, 2000).
responsible for its financial performance. The collaboration between strategic business units, i.e. subsidiary-companies within the Lufthansa Group is carried out on the basis of internal cooperation contracts. This organizational structure resembles that of a network of separate, individual entrepreneurial entities with a powerful centralized corporate center and decentralized, autonomous and individually managed business units. In light of this organizational structure, corporate-level management primarily gets involved at the SBU-level through the definition of financial figures, targets and goals. This enables the SBUs to develop and plan autonomously with regard to the contents and issues of their strategic activities. The large amount of freedom granted through this kind of decentralized leadership, facilitates the strategic business units to pursue their own strategic planning activities, without losing site of the corporate objectives. On the one hand, the SBUs expect clear-cut financial targets and directives from Lufthansa’s corporate management. On the other hand, the SBUs require the corporate managers to give them sufficient autonomy and content-related freedom to independently plan and carry out their strategic initiatives. The high number of emerging temporary strategic projects throughout the Lufthansa Group illustrates this high degree of strategic freedom prevalent on the SBU-level.22

Within the Lufthansa Group an institutionalized strategic planning process is in place, within which corporate involvement efforts are coordinated on a formal basis. Financial targets are broken and narrowed down from the corporate-level to the strategic business units. The following figure illustrates the strategic planning process at the organizational interface between the corporate-level management (Lufthansa Group) and one of the SBUs (Lufthansa Cargo).

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22 In the following, some examples of intermediate strategic projects are given: Project 15, FlyNet, eBase, Executive Net, eViation, etc.
Twice a year, the corporate management holds a strategy forum with the business units in order to discuss past developments of each SBU and to negotiate future financial targets. Besides the definition of strategic targets and recommendations of growth, issues of strategic relevance arising from within the SBUs are discussed and prioritized. Furthermore, action plans are created with regard to strategic initiatives.

Besides the influence of the formalized planning process on corporate-SBU interactions, Lufthansa employees are also influenced by existing management-systems such as Lufthansa career- and incentive-programs. Incentives are provided as a variable part of the salary and are mainly based on the CFROI of the individual profit center. Additionally, there are human resource development programs such as the Lufthansa Junior Round Table or the trainee program Lufthansa Pro-team. The following table summarizes the general information of the Lufthansa German Airlines Group and its match with the research site requirements.

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23 An exemplary temporal sequence of the Lufthansa Group strategy process is depicted in appendix 4, p. 352
### Table 3-4: Company profile - Lufthansa German Airlines

<table>
<thead>
<tr>
<th></th>
<th>Revenue ($ million)</th>
<th>Profit ($ million)</th>
<th>Number of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Lufthansa Group</strong></td>
<td>13,700</td>
<td>1,100 pre tax</td>
<td>69,523</td>
</tr>
<tr>
<td>passenger business</td>
<td>9,800</td>
<td>655</td>
<td>32,240</td>
</tr>
<tr>
<td>(LH passenger &amp; City line)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>logistics (LH-Cargo)</td>
<td>2,300</td>
<td>205</td>
<td>5,342</td>
</tr>
<tr>
<td>maintenance repair overhaul (LH-Technik)</td>
<td>2,040</td>
<td>91</td>
<td>10,551</td>
</tr>
<tr>
<td>catering (LSG)</td>
<td>950</td>
<td>35</td>
<td>13,019</td>
</tr>
<tr>
<td>leisure travel (C&amp;N 99/00)</td>
<td>4,500</td>
<td>38</td>
<td>11,607</td>
</tr>
<tr>
<td>IT services (LH Systems)</td>
<td>400</td>
<td>23</td>
<td>1,772</td>
</tr>
<tr>
<td>ground services (Globe Ground)</td>
<td>250</td>
<td>--12</td>
<td>5,850</td>
</tr>
</tbody>
</table>

Figures are based on €. The $-exchange rate applied was: $0.9 = €1.0

**a) Organizational link between corporate management and SBU-level**
- executive board: CEO, CFO, CE-HR, CE-Passenger business
- ‘circle of fifty’: direct reporting, senior-level
- corporate strategic development: CE

**b) High variety and diversity of data**
- industry / country: covering a broad range of industries / regions
- decentralization: SBU with high strategic autonomy
- diversification: high diversification-degree & numerous SBUs

**c) Dynamic industry environments where decision speed matters**
- Dynamic industry characteristics: liberalization, deregulation, globalization
- rapidly changing markets & customer demands

Source of data: Lufthansa (2000)
3.1.5 Mummert + Partner Unternehmensberatung AG

Mummert + Partner is a management consulting company, which specializes in information technology and the restructuring of business processes.²⁴ Headquartered in Hamburg, Germany, Mummert + Partner has a network of 14 subsidiaries in Europe and the United States of America. In the year 2000, Mummert + Partner has employed 1,350 people and has generated revenues of $172 million and a net income of $5 million. Mummert + Partner is divided into the following six business fields: (1) Business Structures (consulting - structural process), (2) Customer Management (consulting – distribution and customer management processes), (3) Transaction Management (business process execution), (4) Enterprise Applications (business process execution with standardized software systems), (5) Business Intelligence (information-systems) and (6) Technology Management (system- and network-infrastructures). Perpendicular to the six business fields, there is a horizontal market organization, which in turn is divided into the following market- and industry-segments: ²⁵ banking finance (45 percent), insurance (25 percent), public sector (13 percent), utilities (9 percent) and health care (3 percent). The two organizational layers, i.e. the strategic business units and the market organization make up a network-like matrix structure, which provides high autonomy to the SBU-level management with regard to strategic decision-making. In the preceding years Mummert + Partner’s corporate strategy emphasized growth, geographical expansion and a strategy of internationalization within Europe.²⁶ Due to this strong focus on growth and expanding markets in the 1990s, Mummert + Partner has built up its technology consulting competence and its capabilities to carry out large scale consulting projects. This was particularly relevant in the banking finance and insurance industry. In the following sections the main strategic business areas mentioned above are briefly illustrated.

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²⁵ The percentage points in brackets represent the share of total Mummert + Partner revenue each industry has (Mummert + Partner, 2000a).

²⁶ Between the year 1995 and 2000, Mummert + Partner experienced annual revenue growth rates of 30 to 40 percent (Mummert + Partner, 2000a: 2)
fact that organizational corporate and SBU structures are notably relevant in dynamic industry environments is depicted in the following quotation:

“The challenges of dynamic economic life for service providers are enormous. These demands are reflected in the business lines [i.e. SBUs] of Mummert + Partner.”

The SBU business structures (1) offers a broad range of consulting services focused on organizational methods and procedures with regard to organizational structural processes. This business unit employed 168 people in the year 2000. By providing and implementing individual problem solutions, it addresses issues of structural and procedural design as well as strategy. In the year 2000, the ‘Business Structures’ SBU generated revenues of $25.5 million, which represents 15 percent of Mummert + Partner’s total revenues in the year 2000.

The SBU customer management (2) designs strategies for customer acquisition and loyalty management. This includes the optimization of organizational structures and processes as well as the utilization of information technology. The customer management business unit consists of 93 employees, who have generated $15 million in revenues in the year 2000. This represents nine percent of Mummert + Partner’s total revenues in the year 2000. Its primary consulting activities include the definition of marketing, sales and e-business strategies, the development of customer relationship management solutions as well as the conduct of quantitative analyses with regard to sales efficiency.

With 459 employees and revenues of $70 million, the transaction management unit (3) represents the largest of Mummert + Partner’s strategic business units. Within this business unit, clients’ value chains are being dismantled and reconfigured to provide an efficient division of labor. The focus lies on customized, large-scale project solutions with regard to the clients’ process organization as well as existing IT infrastructures.

http://www.mummert.de; September 2001
The *enterprise applications* business unit (4) provides firms with the conceptualization and introduction of standard software solutions, the optimization of supply chain management, the implementation of e-business solutions based on standard software and the realization of projects in the field of human resources. In the year 2000, ‘enterprise applications’ employed 197 people and generated revenues of $40 million.

Activities in the *business intelligence* unit (5) cover the areas data warehouse, customer relationship management, content management and data mining. Clients are supported in transforming their operational data into structured information, enhancing their strategic decision-making process. This includes developing cross-organizational IT strategies and redesigning business processes by using intelligence software. In the year 2000, the business intelligence unit employed 105 people and generated revenues of $13.5 million, which makes up for eight percent of Mummert + Partner’s total revenues in the year 2000. The relevance of the business unit’s field of activity in relation to speed, especially in dynamic industries is pointed out in the following quotation:28

> “In the course of web-oriented, technological development, customers expect service around the clock. Speed is the magic word for that competitive edge – for the competition is just a click away.”

The *technology management* unit (6) consists of 21 employees who have generated revenues of $8 million in the year 2000. The focus of this business unit is to offer a selection and conceptualization of IT hardware and software. This includes reconfiguring existing IT systems, combining traditional systems with modern technology or introducing a completely new IT infrastructure.

As described above Mummert + Partner’s organizational setup resembles that of a matrix-like network structure, which is divided into the market-organization, consisting of five industry-/market-segments and the SBU-side, which consists of the six strategic business units described above. The coordination between these two autonomous layers is carried out on a decentralized basis, i.e. the market organization is responsible for the firm’s interactions with external customers and the SBU-

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28 http://www.mummert.de; September 2001
organization is in charge of the internal production and performance processes. This leads to a network structure with high autonomy for the SBU/profit center with regard to strategic decision-making activities.

Corporate involvement at the SBU-level primarily takes place through the definition and negotiation of revenue- and performance-targets. These financial figures are subsequently broken down along the markets, sub-markets and customer groups as well as along the individual strategic business units. The corporate-level management at Mummert + Partner, i.e. the executive board consists of the heads of the market- and SBU-organizations. Due to their operational involvement at the SBU-level, executive managers are held fully responsible for the financial and operational success of the specific SBU. The leadership style within Mummert + Partner is characterized by strong links between the two organizational levels and a high degree of collateral communication and personal relationships between the individuals involved. This grants a high degree of freedom to the SBUs and in turn encourages their entrepreneurial efforts within the boundaries of corporate control.

Formal corporate control of strategic activities at Mummert + Partner takes place through the mutual definition of strategic targets. This process consists of an annual ‘commitment agreement’-meeting as well as monthly coordination-meetings. During the ‘commitment agreement’-meeting, members of the executive board and members of the business units discuss the status quo as well as possible future strategic issues and opportunities. These future commitments are negotiated and form the underlying basis for annual performance targets. Prior to this definition of targets, each business unit head has undergone a negotiation process to define the participation in achieving the unit’s performance targets. The results of these rather informal negotiation processes are summarized and entered into documents, which are presented and subsequently discussed in light of the firm’s current strategic situation at the annual business area ‘commitment agreement’-meeting. As a result of this ‘commitment agreement’-meeting, written ‘evidence-commitments’ for the business areas are finalized and subsequently broken down across the whole organization. The executive board member, representing the strategic business unit presents the business unit’s targets and commitments to the other members of the executive board, where they are again discussed and modified. Possible modifications and adjustments are played back
to the remaining part of the organization. On the one hand, the outcome figures of Mummert + Partner’s target definition process are quantitative revenue- and performance-targets, which directly link to the corporate budgeting process. On the other hand, qualitative strategic issues with potential future relevance are elaborated. The following figure illustrates the sequence of Mummert + Partner’s target definition process.

Figure 3-4: The strategic target definition process at Mummert + Partner

Besides the influence of the formalized target definition process on corporate-SBU interactions, Mummert + Partner employees are also influenced by existing management-systems such as the ‘Leadership model for leading managers’, which specifies and narrows down the overall group targets and defined commitments to the individual level. On the basis of these targets, each employee has an individual
evaluation and development meeting, which in turn is directly linked to the individual’s incentive and salary scheme. The installed incentive programs in turn enhance and reward responsibility, autonomy and entrepreneurial behavior on behalf of the strategic SBU-members.

The following table summarizes the general information of the Mummert + Partner Unternehmensberatung AG presented above. In a first step, general key figures of the organization are portrayed. In a second step, M+P’s firm characteristics are matched with the dissertation’s research site requirements.
# Table 3-5: Company profile - Mummert + Partner Unternehmensberatung AG

<table>
<thead>
<tr>
<th>Mummert + Partner Group</th>
<th>Revenue ($ million)</th>
<th>Net income ($ million)</th>
<th>Number of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>172</td>
<td>5</td>
<td>1,350</td>
</tr>
<tr>
<td>➔ business structures</td>
<td>25.5</td>
<td></td>
<td>168</td>
</tr>
<tr>
<td>➔ customer management</td>
<td>15</td>
<td>Income information not available due to legal structure of company</td>
<td>93</td>
</tr>
<tr>
<td>➔ transaction management</td>
<td>70</td>
<td></td>
<td>459</td>
</tr>
<tr>
<td>➔ enterprise applications</td>
<td>40</td>
<td></td>
<td>197</td>
</tr>
<tr>
<td>➔ business intelligence</td>
<td>13.5</td>
<td></td>
<td>105</td>
</tr>
<tr>
<td>➔ technology management</td>
<td>8</td>
<td></td>
<td>21</td>
</tr>
</tbody>
</table>

Figures are based on €. The $-exchange rate applied was: $0.9 = €1.0

<table>
<thead>
<tr>
<th>corporate management level</th>
<th>eight executive board members: heads of business units, CEO, CFO</th>
</tr>
</thead>
<tbody>
<tr>
<td>strategic business unit level (SBU)</td>
<td>six strategic business units (‘business lines’): (1) business structures, (2) customer management, (3) transaction management, (4) enterprise applications, (5) business intelligence, (6) technology management</td>
</tr>
</tbody>
</table>

### b) High variety and diversity of data

- **cross-industry**: broad range of customer- & industry-segments
- **decentralization**: SBUs with high strategic autonomy
- **diversification**: high diversification-degree & numerous SBUs

### c) Dynamic industry environments where decision speed matters

- **dynamic industry characteristics**: globalization, internationalization, e-commerce: changing markets & demands, strong competition & rivalry within industry

Sources of data: Mummert + Partner (2000a/c, 1999b)
3.2 Data collection

Three sources of data were accessed for the dissertation’s research: (1) systematic, structured and semi-structured on-site interviews with managers at the corporate- and SBU-level, (2) documents collected from the companies regarding internal functioning, strategic processes and means of corporate involvement and control and (3) publicly available information obtained from several sources including the companies themselves, annual reports, investors’ reports, internet sites and online databases. In the subsequent chapters these three sources of data are further illustrated and therefore divided into the two categories of primary data and secondary data. The dissertation’s interviews conducted at the research sites are included in the first subchapter on primary data sources, whereas company documents and archival records are comprised in the second subchapter relating to secondary data sources.

3.2.1 Primary data sources: personal interviews

The dissertation’s research was initiated by carrying out qualitative, semi-structured interviews following the methodological suggestions by Strauss (1987) and Strauss/Corbin (1998) as well as structured, computer-based interviews. Overall 40 interviews were conducted in the time period between July 2000 and April 2001. Major emphasis was put on the identification of the relevant interviewee-population. A knowledge-based sampling method was used, i.e. the first individuals interviewed were asked to suggest others who had knowledge about the phenomenon and therefore were beneficial to the dissertation’s research project. In order to ensure a representative group of respondents and to secure an accurate observation of the corporate involvement phenomenon, a random sample at both organizational levels was selected, i.e. corporate-level management as well as a broad range of strategic business units were included. The number of SBUs where interviews were conducted, was kept as high as possible in order to increase the diversity of data and thus, to facilitate the fruitful development of mid-range theory. The dissertation’s process of data collection followed a two-step approach. (1) In a first phase, ten semi-structured interviews were conducted following the grounded theory approach.29 (2) In a second

29 The approach of grounded theory is only briefly mentioned in this chapter, since chapter 4
(‘Methodology and data analysis’) and chapter 5 (‘Corporate involvement and decision speed in
phase, thirty structured, computer-based interviews were conducted following the repertory/t.o.p.GRID approach. Both phases applied to all five research sites described above. In the following sections each phase of data collection is described in detail and subsequently summarized.

(1) In the first phase of data collection, ten *semi-structured interviews* with an average duration of 2½ hours were conducted in Switzerland and Germany. At each research site, the corporate- as well as the SBU-level was interviewed to ensure that both hierarchical levels with their specific perceptions of corporate involvement and its impact on the SBU-level were included in the data collection. All interviews in the first phase of data collection were conducted according to the conceptualization of semi-structured interviews (Cohen/Manion, 1989). The partly formalized interview structure allowed concentrating on the specific phenomenon of interest as well as guiding the general course of the interview. Questions were raised in the open rather than the closed mode and answers were taken down and recorded in their actual version as opposed to standardized scaling schemes. This approach reflects the explorative character and proximity of grounded theory concerning the dissertation’s phenomenon of corporate involvement. The advantage of conducting interviews in a semi-structured way are pointed out by Singleton/Straits (1999: 436):

“A strength of the semi-structured interview format and the open-ended responses it evokes is that it guides topics generally, but its openness allows respondents to cognitively structure the inquiry. (...) Respondents’ own issues of concern, ideas, conceptions of the topics and structuring of the phenomena they experienced can come forth. As a consequence, a second strength of this field research method is its ability to capture new data, topics, and perspectives.”

light of the empirical data’) thoroughly explain the underlying background and characteristics of grounded theory and its implications for this dissertation.

Parallel to grounded theory, the approach of t.o.p.GRID is only briefly mentioned in this chapter, since chapter 4 (‘Methodology and data analysis’) and chapter 5 (‘Corporate involvement and decision speed in light of the empirical data’) thoroughly explain the underlying background and characteristics of t.o.p.GRID and its implications for this dissertation.
All interviews conducted, followed Leenders/Erskine’s principles of successful interviewing (1989: 33), which implied carrying out every interview by at least two researchers. Interviews were tape-recorded and transcribed. Personal notes and memos were taken subsequent to the interviews (Mayring, 1993). The interviews conducted involved the implementation of a number of predetermined questions and special topics. Berg (1992: 33) describes the nature of semistandardized interview questions as follows:

“These questions are typically asked for each interviewee in a systematic and consistent order, but the interviewers are allowed freedom to digress; that is, the interviewers are permitted (in fact expected) to probe far beyond the answers to their prepared and standardized questions.”

In light of this flexibility, the interview questions of the first phase of data collection dealt with the following general topic areas:

1. **Introduction:** interviewer-background, dissertation project, interviewee-background, research site/company profile
2. **Strategy process:** sequence, analysis along six dimensions: location, participants, timing, instruments, procedural approach, behavior
3. **Corporate involvement:** conceptualization of corporate- and SBU-level, means and types of involvement, ideal situation versus status quo
4. **Impact of corporate involvement / decision speed:** substantiation of speed and success, measures and perceptions of speed
5. **Link between corporate involvement and decision speed:** respondents’ perception of causal relations between involvement and decision speed

For purposes of open, axial and selective coding, all interviews were fully transcribed (Glaser/Strauss, 1965, 1967; Strauss/Corbin, 1998). Major attention was paid to the transcription and recording of the interview since the structure and consistency of the data transcription strongly influences the quality of the findings (Bryman/Burgess, 1994). On the basis of 312 pages of interview transcriptions, open coding was carried out. The coding procedure was facilitated by ATLAS.ti, a software program supporting the retrieval of codes, the grouping thereof and the development and

31 For a full illustration of the semi-structured interview-questions, see: appendix 5, p. 353
The empirical setting

definition of categories. Throughout the dissertation’s study 199 codes including properties and dimensions were assigned. Through applying the grounded theory coding paradigm (Strauss/Corbin, 1998), an encompassing conceptualization of corporate involvement means was derived from the data. Hence the primary outcome of the first phase of data collection (grounded theory) was the following nine means of corporate involvement at the SBU-level:

1. financial incentives,
2. target definition,
3. process-related corporate involvement,
4. HR- / career incentives,
5. arenas for discourse,
6. coercive enforcement,
7. sanctioning,
8. conflict resolution and
9. content-related corporate involvement.

In addition to these nine means of corporate involvement, the data confirmed speed of strategic decision-making as a vital unit of analysis. Therefore, the concept of decision speed at the SBU-level is introduced as dependent unit of analysis and added to the dissertation’s design as a tenth research construct.

(2) In the second phase of data collection, thirty computer-based, structured interviews with an average duration of two hours were conducted at the dissertation’s research site. At each firm, two interviews at the corporate- as well as four interviews at the SBU-level were conducted in order to ensure that a broad range of opinions of the different means of corporate involvement and their effects on decision speed was properly captured. The interviews in the second phase of data collection were conducted according to the t.o.p.GRID interviewing method, which is based on

32 For a detailed overview of the grounded theory procedure and the process of deriving the means of corporate involvement from the data, see: chapter 4.2 (‘Grounded Theory’) and chapter 5.1.1 (‘Corporate involvement at the SBU-level - an inductive conceptualization’)
Kelly’s repertory grid technique (1955). Repertory grid is based on the ‘psychology of personal constructs’, which assumes that every human being constructs the world as an experiential construct with regards to the circuitry systems of interpersonal relationships (Catina/Schmitt, 1993; Kelly, 1955; Scheer, 1993; Scheer/Catina, 1993a/b; also see: Blumer, 1981; Schütz, 1971). The interviewing procedure was facilitated by t.o.p.GRID, a software program retrieving respondents’ perceptions of ‘similarities’ and ‘contrarities’ between the dissertation’s ten constructs depicted above (Raeithel, 1991, 1993). T.o.p.GRID represents a three-step approach of comparison between the dissertation’s nine involvement means and decision speed.

In a first phase, two out of the ten dissertation’s involvement and decision speed elements are randomly selected. Respondents compare the two elements and decide intuitively whether they perceive them as similar or contrary.

After the selection between ‘similar’ and ‘different’ is made, respondents associate and assign descriptive adjectives in the second phase, i.e. constructs are assigned to the two elements mentioned above. If the two elements are considered different or even opposing, respondents assign a construct-pole to the one element and a contrast-pole to the other. If the two elements are perceived as similar, respondents describe this similarity through a construct-pole and assign the contrast-pole to a fictitious element they perceive as maximally different.

In a third phase, the remaining eight elements are evaluated on the basis of the construct- and contrast-poles, initially assigned to the first two elements compared in phase one. Respondents assess each remaining element according to the following six options; i.e. more like the construct-pole, more like the contrast-pole, in-between, both, neither or no answer possible. This assessment according to the standardized scaling procedure, leads to the development of a numbered matrix displaying all various possibilities of construct-element connections (Kelly, 1955; Krafft, 1998; Raeithel, 1991, 1993). The following figure displays the three-step approach of the t.o.p.GRID data collection method.

33 For a detailed overview of the procedure and the underlying characteristics of t.o.p.GRID, see: chapter 4.3 (‘T.o.p.GRID’) and chapter 5.2 (‘The dissertation’s work process of t.o.p.GRID – linking corporate involvement and decision speed’).
In order to visualize this three-step interviewing method, an imaginary example on the basis of the dissertation’s ten involvement and decision speed elements is described in the following. E.g. in phase 1: are ‘target definition’ (i.e. randomly selected element [10]) and ‘corporate conflict resolution’ (i.e. randomly selected element [9]), more similar or more different? We hypothetically assume that the respondent perceives these elements as different, which leads to the right middle figure above. Hence, in phase two, the respondent assesses the reasons for the different perception of the elements by describing them through construct- and contrast-poles. In this case the
element ‘target definition’ is fictitiously associated with motivating/future-oriented (i.e. construct-pole), whereas the element ‘corporate conflict resolution’ is associated with frustrating/past-oriented (i.e. contrast-pole). In the third phase of the interview, respondents assess whether they perceive the remaining eight elements, e.g. financial incentive systems as ‘motivating/future-oriented’, ‘frustrating/past-oriented’, ‘in-between’ these adjectives, comprising ‘both’ or ‘neither’ one.34

The outcome of the second overall data collection phase is the retrieval of causal relations between nine different means, i.e. elements of corporate involvement and the speed of strategic decision-making at the SBU-level. Respondents perceive some means of corporate involvement to be more closely linked to strategic decision speed than others. In addition, these individual links between corporate involvement and decision speed allow for an aggregation of involvement means into clusters and patterns of corporate involvement behavior, which in turn can also be linked to the speed of strategic decision-making at the SBU-level. The following table summarizes the dissertation’s process of data collection with regard to primary data sources.

34 For an overview of the remaining elements observed in the dissertation, see: p. 95
### Table 3-6: The dissertation’s primary data sources

<table>
<thead>
<tr>
<th>Type of interview</th>
<th>ABB Asea Brown Boveri</th>
<th>Grey Global Group</th>
<th>Information Management Group</th>
<th>Lufthansa German Airlines</th>
<th>Mummert + Partner</th>
<th>data collection process</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>phase 1</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>grounded theory</td>
</tr>
<tr>
<td>Total number of interviews:</td>
<td>10</td>
<td>30</td>
<td>40</td>
<td>2</td>
<td>6</td>
<td>8</td>
</tr>
<tr>
<td>Interviews per firm:</td>
<td>2</td>
<td>6</td>
<td>8</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>➔ at the corporate level</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>1</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>➔ at the SBU level</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>1</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Time period of interviewing</td>
<td>07/00 – 01/01</td>
<td>02/01 – 04/01</td>
<td>07/00 04/01</td>
<td>07/00 – 01/01</td>
<td>02/01 – 04/01</td>
<td>07/00 04/01</td>
</tr>
<tr>
<td>Location of interviews</td>
<td>Germany and Switzerland</td>
<td>Germany and Switzerland</td>
<td>Germany and Switzerland</td>
<td>Germany and Switzerland</td>
<td>Germany and Switzerland</td>
<td>Germany and Switzerland</td>
</tr>
<tr>
<td>Average interview-duration</td>
<td>2½ hours</td>
<td>2 hours</td>
<td>2½ h</td>
<td>2½ hours</td>
<td>2 hours</td>
<td>2½ h</td>
</tr>
<tr>
<td>➔ maximum duration</td>
<td>3 hours</td>
<td>4 hours</td>
<td>4 hours</td>
<td>3 hours</td>
<td>4 hours</td>
<td>4 hours</td>
</tr>
<tr>
<td>➔ minimum duration</td>
<td>2 hours</td>
<td>1½ hours</td>
<td>2½ hours</td>
<td>2 hours</td>
<td>1½ hours</td>
<td>2½ hours</td>
</tr>
<tr>
<td>Transcription / number of pages</td>
<td>yes / 312 pages</td>
<td>PC-application</td>
<td>yes</td>
<td>yes / 312 pages</td>
<td>PC-application</td>
<td>yes</td>
</tr>
<tr>
<td>Software support</td>
<td>ATLAS.ti</td>
<td>t.o.p.GRID</td>
<td>both</td>
<td>ATLAS.ti</td>
<td>t.o.p.GRID</td>
<td>both</td>
</tr>
<tr>
<td>Content / interview questions</td>
<td>Introduction</td>
<td>Strategy process</td>
<td>Corporate involvement</td>
<td>Impact &amp; decision speed</td>
<td>Link between involvement &amp; decision speed</td>
<td>Three-steps: Comparisons of elements</td>
</tr>
<tr>
<td>Outcome of the phase</td>
<td>conceptualization of corporate involvement means</td>
<td>links between involvement &amp; decision speed</td>
<td>−</td>
<td>−</td>
<td>−</td>
<td>−</td>
</tr>
</tbody>
</table>

Table 3-6: The dissertation’s primary data sources
3.2.2 Secondary data sources: archival records and general documents

The notion of secondary data comprises the following two sources of data: (1) documents collected from the companies regarding internal functioning, strategic processes and means of corporate involvement and (2) publicly available information obtained from several sources including the companies themselves, annual reports, investors’ reports, internet sites and online databases. These kinds of archival records and general documentations are especially relevant in qualitative research, since they integrate the firm specific context into the research area (Leenders/Erskine, 1989; Singleton/Straits, 1999; Yin, 1981, 1994). The secondary data used in the dissertation took many forms such as records, charts, lists of names, company public relations data as well as letters, administrative documents, company profiles and other public releases. In reference to the grounded theory methodology Strauss (1987: 3) emphasizes the importance of this type of secondary data compared to the primary data available.

“While some materials may be generated by the researcher – as through interviews, field observations, or videotapes – a great deal of it already exists, either in the public domain or in private hands, and can be used by an informed researcher provided that he or she can locate and gain access to the material.”

The following table identifies and summarizes the varying types of secondary data sources used in the dissertation:
<table>
<thead>
<tr>
<th>data collection</th>
<th>secondary data sources</th>
<th>internal company documents</th>
<th>archival public records</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ABB Asea Brown Boveri</strong></td>
<td>Organizational charts</td>
<td>Annual reports</td>
<td>Company web-sites</td>
</tr>
<tr>
<td></td>
<td>Financial targets</td>
<td>Company profiles</td>
<td>Public relations data</td>
</tr>
<tr>
<td></td>
<td>List of names</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Process overviews</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Grey Global Group</strong></td>
<td>Organizational chart</td>
<td>Annual reports</td>
<td>Company web-sites</td>
</tr>
<tr>
<td></td>
<td>Quality handbook</td>
<td>Company profiles</td>
<td>Public relations data</td>
</tr>
<tr>
<td></td>
<td>List of names/functions</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Finance figures/targets</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Information Management Group</strong></td>
<td>Balanced scorecard</td>
<td>Annual reports</td>
<td>Company web-sites</td>
</tr>
<tr>
<td></td>
<td>Strategy &amp; 3-year plan</td>
<td>Company profiles</td>
<td>Public relations data</td>
</tr>
<tr>
<td></td>
<td>Skill-requirement list</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Lufthansa German Airlines</strong></td>
<td>Teaching case study</td>
<td>Annual reports</td>
<td>Investors’ reports</td>
</tr>
<tr>
<td></td>
<td>Internal presentations</td>
<td>Company web-sites</td>
<td>Public relations data</td>
</tr>
<tr>
<td></td>
<td>Strategy process chart</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Intranet excerpts</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Mummert + Partner</strong></td>
<td>Organizational charts</td>
<td>Annual reports</td>
<td>Company web-sites</td>
</tr>
<tr>
<td></td>
<td>Reorganization charts</td>
<td>Company profiles</td>
<td>Public relations data</td>
</tr>
<tr>
<td></td>
<td>List of functions</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 3-7: The dissertation's secondary data sources
4 Methodology and data analysis

This chapter discusses the key methodological issues of the dissertation. It is divided into four sections. The first section gives an introduction to qualitative and quantitative research approaches and justifies the qualitative approach with regard to the dissertation’s research objective. The second section provides an introduction to the grounded theory methodology and depicts its relevance as well as the general work process associated with it. The third section delineates the relevance and key characteristics of the t.o.p.GRID method and describes its general work process. Section four presents possible limitations of applying grounded theory and t.o.p.GRID in the dissertation. Furthermore, criteria for evaluating the quality of the methodological design are depicted. The following figure visualizes the outline of this chapter as well as its key contents.

Figure 4-1: Outline of chapter four – ‘Methodology and data analysis’
4.1 The dissertation’s general methodological approach

When conducting empirical research the right choice of methodology represents a critical success factor. According to Yin (1984: 13) the methodological design has to be suitable to “(1) the research problem, (2) the extent of control the researcher has over actual behavioral events and (3) the time-focus of the phenomena observed, i.e. contemporary or historical.” The focus of the following paragraphs lies on aspects of quantitative and qualitative methodology with regard to the research problem. An evaluation of both methodological approaches is briefly carried out. Furthermore, the qualitative methodological approach applied by the dissertation is illustrated as the more suitable and therefore superior approach in light of the dissertation’s research problem.

4.1.1 Quantitative methodology

In a first step, quantitative methodological issues are discussed. With regards to the transparency and consistency of a methodology, quantitative methods -frequently based on statistical sampling- seek to precisely specify and compare causal relations between defined variables. Van de Ven/Huber (1990: 213) illustrate this approach concerning the research topic of ‘change’:

“In terms of an input-process-output model, the first question focuses on the inputs and outcomes of change. (...) The first question usually entails a ‘variance theory’ explanation of the input factors [independent variables] that statistically explain variations in some outcome criteria [dependent variables].”

While this procedure provides statistically valid results on interrelations between certain variables, implications can hardly be drawn beyond the particular research setting selected. Hypotheses are typically defined at the beginning of quantitative studies and are then -in a second step- confronted with the object area, i.e. the empirical findings. This procedure of operationalizing variables and defining and testing hypotheses with regard to the empirical findings, reduces the flexibility and the broadness of possible observations at the beginning of the research process. Especially for the dissertation’s research topic it is essential to approach the research problem in an open and flexible way towards the phenomenon observed, i.e. the methodological
approach should be capable of being modified towards a virtually new and theoretically beneficial outcome.

According to Girtler (1984: 26) there are four major issues of criticism concerning quantitative research approaches:

1. Quantitative methods primarily focus on the observation of phenomena external to the individual or the group. Though in reality, phenomena often arise out of interpretation between individuals and groups. These interpretations are to a large extent omitted in quantitative research methods.

2. In order to properly observe social facts and interactions, the research method has to take situational and contextual meanings into consideration. These aspects of meaning cannot be measured with quantitative tools such as regression analyses.

3. Quantitative methods and tools are not capable of actually observing social activities. This is due to the fact that the quantitative researcher associates certain meanings with individuals and groups observed, even though these meanings can be influenced to a large extent by the researcher himself.35

4. The quantitative procedure of defining a research problem by formulating hypotheses before the actual empirical observation can lead to false interpretations and neglecting relevant pieces of information vital to the outcome of the study.

Despite these points of criticism, quantitative methods can also have advantages such as the high degree of standardization. The systematic structure and setup of quantitative research contributions leads to an increase in the efficiency of comparability between research studies. Due to the standardized design, the logic and results of the study are followed more easily. In qualitative, non-standardized research contributions the reader is required to go into the details of the particular situational and contextual conditions of the research project in order to comprehend the underlying notion of the study. Additionally, quantitative methodology is advantageous since it provides the possibility to prove or falsify a correlation between precisely specified variables. This helps narrowing down the focus of a study to a limited number of variables. Hart/Banbury (1994: 251-252) describe this advantage of quantitative methodology:

35 This point of criticism is also considered a disadvantage of qualitative methodology.
“This design has the advantage of isolating statistically the independent effects of each of the predictors.”

4.1.2 Qualitative methodology

Subsequent to the preceding section, qualitative methodological issues appear more suitable with regard to the dissertation’s research problem. One of the underlying assumptions of the qualitative research methodology is that human beings themselves organize, create and change the structures they live in. Aspects of meaning are only derived from individuals’ perceptions and their interpretations of social interactions (Denzin/Lincoln, 1994; Guba/Lincoln, 1994; Kromrey, 1994). These assumptions imply that structures are not solid but constantly change. Therefore, they are not measurable with rigid tools and statistical laws. Qualitative research tries to integrate measurable and objective data as well as tacit interpretations and perceptions. This is achieved by assessing all important issues and conditions essential to the research question. Therefore, qualitative research methodology does not define hypotheses prior to the actual empirical observation. The aim of qualitative research rather lies in the construction of propositions throughout the research process by iteratively going back and forth between field data and theory. This iterative research goes along with the grounded theory approach brought forward by Glaser/Strauss (1967), Strauss (1987) and Strauss/Corbin (1998). The iteration for the purpose of theory development often leads to an erosion of the boundary between data collection and analysis. Noda/Bower (1996: 167) also provide support for this point:

“The data collection and analysis components of a field study overlap, particularly in the case of theory building.”

Adding to the preceding quotation by Van de Ven/Huber (1990: 213) on ‘change’, the authors portray and relate to qualitative methodology as follows:

“The second question requires a ‘process theory’ explanation of the temporal order and sequence in which a discrete set of events occurred based on a story or historical narrative.”

Hence, the key advantage of qualitative research methods is the close link and proximity to the actual research problem including not only statistical data and tools but also ‘soft’ issues. This advantage is vital to the dissertation’s objective of
understanding the effects of corporate involvement at the SBU-level and is also supported by Morgan/Smircich: (1980: 491):

“Qualitative research is an approach rather than a particular set of techniques, and its appropriateness derives from the nature of the social phenomena to be explored.”

Since the dissertation focuses on a broad range of social interactions, the methodology applied has to account for differing situational circumstances and perceptions of the organizational members analyzed. For example, respondents’ views of the influence of corporate involvement on strategic decision speed will most likely differ depending on the hierarchical level of the respondent. For example, corporate-level managers might perceive their actions of involvement at the SBU-level differently to how representatives of strategic business units perceive them. In order to account for a thorough research of this circumstantial and complex phenomenon, it is essential to apply a qualitative methodological approach. In this respect, Miles and Huberman (1994: 10) summarize the advantages of qualitative research methodology:

“...the one major feature of qualitative research is that they focus on naturally occurring, ordinary events in natural settings, on what ‘real life’ is like. That confidence is buttressed by local groundedness, that fact that the data are collected in close proximity to a specific situation. Another feature of qualitative data is their richness and holism. Furthermore, the fact that such data are typically collected over a sustained period makes them powerful for studying any processes. It has also been argued that qualitative data often have been advocated as the best strategy for discovery, exploring new areas and developing hypotheses.”

However, qualitative research also has disadvantages such as the following four points of criticism:

1. The high selectivity of the data observed and analyzed makes generalization of theoretical findings difficult.

2. Individuals involved in the research setting, i.e. interviewers as well as respondents can distort and corrupt the objectivity of the study. For example, strategic business managers who know that they are being observed are likely to behave differently in
comparison to regular everyday situations. This can block and sabotage a study’s forthcoming.

3. Due to the specific focus on the research setting’s circumstances, the intersubjectivity and accordingly the reliability of qualitative findings tends to be lower.

4. Since qualitative research analyzes dynamically changing and partly immeasurable issues it is considered difficult to replicate a study and its outcomes.

The main points of criticism concerning the qualitative approach are summarized and indirectly compared to the quantitative research approach by Katz (1983: 128):

“Qualitative field studies appear especially vulnerable to criticism because they do not process from fixed design. They do not use formats for sampling that could produce statistics on the representativeness of data. They abjure coding books that might enhance reliability by spelling out in advance the criteria for analyzing data. They fail to give detailed instructions for interviews - the questions to ask, their order, when to give cues and when to probe - that might give the reader faith that differences in subjects’ responses were not due to variations in the researcher’s behavior. Because of their emphasis on informal and flexible methods, qualitative field studies seem to make replication impossible.”

4.1.3 The fit between research problem and qualitative methodology

Referring to Yin’s (1984) requirement of fit between research problem and applied methodology the dissertation’s general research objective is to analyze corporate involvement at the SBU-level and its impact on the speed of strategic SBU decision-making. The main focus is put on specific means of corporate involvement, which are inductively derived from the dissertation’s data sample. The underlying assumption of this approach is that certain means of corporate involvement such as corporate target definition or corporate conflict resolution have an effect on the speed of strategic SBU decisions and –as has been shown in the literature– on the economic performance of the whole organization (Eisenhardt, 1989a). Thus, the specific research problem can be reiterated by the following research question, which guides the research design as well as its proceedings.
How and why does corporate involvement at the strategic business unit-level (SBU) affect the speed of strategic decision-making?

On the basis of the dissertation’s data material, the general term corporate involvement has been specified by the following nine means of corporate involvement at the SBU-level:36 (1) financial incentives, (2) target definition, (3) process-related corporate involvement, (4) HR- / career incentives, (5) arenas for discourse, (6) coercive enforcement, (7) sanctioning, (8) conflict resolution and (9) content-related corporate involvement at the SBU-level. Consequently the research question is further specified as follows:

How and why does corporate involvement in the form of the nine means of corporate involvement (1 – 9) at the strategic business unit-level (SBU) affect the speed of strategic decision-making?

It becomes apparent from the research questions that the dissertation’s objective lies on the building and development of theory rather than on the extension and testing of it. In addition, individual perceptions of how social interactions take place between corporate and SBU managers and how they affect decision speed are closely observed in the dissertation. Hence, a qualitative research approach is more appropriate for the dissertation’s research objective. The key reasons for this are the close proximity to the research problem, the flexible and unbiased way of dealing with new and valuable insights throughout the empirical phase, the little extent of control the researcher has over actual behavioral events and the contemporary time-focus of the decision speed phenomenon observed (Yin, 1984). Following a qualitative methodology such as grounded theorizing helps to prevent from prematurely pruning the complex and multidimensional phenomenon of corporate involvement into a shape that would fit within the constraints of a deductive methodology. In light of this, Hamel (1991:84) states:

“Because patterns of causality are extremely complex in most real-world administrative systems, traditional deductive-analytic methodologies force the researcher to declutter the phenomenon by (1) substituting crude proxies for difficult-to-measure determinants or outcomes; (2) assuming away some of the

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36 Also see: chapter 3.2.1 (‘Primary data sources: personal interviews’)

multidimensionality in causal relationships; and/or (3) narrowing the scope of research. In doing so, much of the potential value of the research is lost.”

Thus, the following conclusion is drawn with regard to the methodology applied: The research on the relationship between corporate involvement and strategic decision speed is conducted according to the qualitative methodology of grounded theorizing and repertory-/t.o.p.GRID respectively. The main reasons for this selection are: close proximity to empirical data, greater flexibility of handling data and changes in data and an unbiased, impartial and therefore more realistic and representative approach with regard to the conceptualization of corporate involvement and its impact on strategic decision speed at the SBU-level.

The following figure represents an overview of the dissertation’s methodological approach as illustrated above:

![Figure 4-2: The dissertation's methodological approach](image)

**4.2 Grounded Theory**

In the 1960s, Glaser/Strauss (1965, 1967) developed grounded theory as an approach to the collection and analysis of qualitative data by conducting an observational field
study of hospital staff’s behavior towards dying patients (Lamnek, 1995; Strauss, 1987). The grounded theory approach originated from the following streams of work and thought:

1. **American Pragmatism**: This school of thought essentially represented by Dewey (1937) and Mead (1934) focuses on understanding processes of interaction as reciprocal orientation and as a basis for comprehending the symbolic character of social actions. It emphasizes actions and problematic situations and the cooperative search for truth and methods to cope with problems emerging in the course of action.

2. **Chicago School**: Researchers representing the Chicago school (e.g. Hughes, 1970) focus on ethnographic procedures to study social processes. Hereby, the influence of culture on individual and collective behavior is especially emphasized. Field observations and interviews as data-collecting techniques are extensively utilized in order to integrate the individual’s perspective for understanding interactions, processes and social change.37

The dissertation follows the methodological suggestions by Strauss (1987) and Strauss/Corbin (1998), since it places social interactions and processes at the center of its attention. Other contributions applying grounded theory in the strategy research field have further inspired this work: For example, Brown/Eisenhardt (1997) conducted research along the lines of grounded theory methodology by examining continuous change in organizations with regard to multiple product innovations. On the basis of transcribed semi-structured interviews in nine computer firms a conceptual framework of change was constructed and theory was developed. Burgelman (1985) provides another example for the utilization of grounded theory in strategy research. In his ICV-study, he inductively explored how his model of the interaction of strategic behavior, corporate context and the concept of strategy is linked to corporate entrepreneurship and the interplay between action and cognition. On the basis of unstructured interviews in a large and diversified high-tech firm, the methodology of grounded theory was applied in order to inductively build theory from the single case. Elsbach/Sutton (1992) present another case of applying grounded theory methodology in strategy research. The authors link institutional and impression management perspectives in a process model of how controversial actions can lead to support from

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37 Also see: Blumer, 1981 on symbolic interactionism; Kieser, 1999; Walter-Busch, 1996
key constituencies. On the basis of semi-structured interviews with members of two social movement organizations, this iterative research approach develops a conceptual framework. All three articles apply grounded theory. However, none of them specifies or describes the coding procedures undergone. Despite the frequent application of grounded theory in the current research literature, it appears unintelligible why the methodological procedures such as open, axial and selective coding are not presented and illustrated more profoundly. In order to build meaningful theory from the iterative grounding procedures, it is mandatory that the corresponding methodological steps are carried out and documented thoroughly (Strauss/Corbin, 1998). The dissertation closely followed and documented this systematic approach of grounded theorizing, which will be illustrated throughout the remainder of this chapter.

4.2.1 Relevance of grounded theory

The following section seeks to illustrate the more general reasons and motivations for applying grounded theory by displaying its key characteristics. According to Brown/Eisenhardt (1997: 2) grounded theorizing methodology is superior to other methodologies if the research phenomenon is hardly explored and existing theory does not provide any helpful clues on how to effectively conduct the research:

“We chose grounded theory building because of our interest in looking at a rarely explored phenomenon for which extant theory did not appear to be useful. In such situations, a grounded theory-building approach is more likely to generate novel and accurate insights into the phenomenon under study than reliance on either past research or office-bound thought experiments.”

The dissertation’s research phenomenon corporate involvement at the SBU-level and its impact on the speed of strategic decision-making has only partially been explored in the scientific field. Even though, Bourgeois/Eisenhardt (1988), Eisenhardt (1989a), Eisenhardt/Bourgeois (1988), Judge/Miller (1991) and Wally/Baum (1994) have explored the phenomenon of strategic decision speed in varying industries, no research has yet observed decision speed in light of internal corporate–SBU interactions. Therefore, the dissertation’s research focus represents a rarely explored phenomenon, to which existing theory does not provide any substantial grounds for progression. By applying grounded theory in this dissertation, novel and accurate insights are gained
into corporate involvement activities at the SBU-level and their impact on the speed of strategic decision-making.

By referring to Gross/Giacquinta/Bernstein (1971) and Zaltman/Duncan/Holbek (1973), Burgelman (1985: 85) considers grounded theorizing to be most suitable if the research focus lies on ‘processes’ rather than single ‘events’ in time.

“...to study processes [“of innovation”] the ‘result’ or ‘event’ approach is not adequate because it neglects the sequence of strategic choices and their implementation leading to the ‘result’. Referring to Gross et al. (1971), Zaltman et al. (1973) argued that, rather than conceiving of innovation as a single event, it should be viewed as a continually changing process involving a set of complex and interrelated forces that shift over time. A qualitative research method was therefore chosen as the best way to arrive at an encompassing view of the ICV process. (...) Grounded theorizing is suggested to be a viable methodology for this field of strategic management.”

The dissertation focuses on the process of corporate involvement at the SBU-level and its impact on decision speed. Due to the dynamic interactions between corporate and SBU managers, this also represents a continually changing process involving a set of complex and interrelated forces that shift over time (Burgelman, 1985). Therefore, grounded theory appeared beneficial to the dissertation since it allowed for a holistic view of the corporate involvement process.

In order to closely observe and analyze dynamic sociological interactions and resulting behaviors such as corporate involvement activities and decision speed effects, it is mandatory for the methodology applied to be flexible and adjustable to the situational circumstances. Hence, to cope with continuously changing research objects, flexible research methodologies are required, which can be adjusted to changes in data as well as in the resulting conceptual frameworks. According to Elsbach/Sutton (1992: 706) grounded theory allows for this flexibility:

“We used an iterative approach of traveling back and forth between the data, pertinent literature, and emerging theory to develop our model. This method draws on descriptions of how to generate grounded theory by Glaser and

38 Also see: Eisenhardt, 1989b; Glaser/Strauss, 1967; Miles/Huberman, 1994
In addition to the motivations of the above authors to apply grounded theory, Strauss (1987) presents a set of eight underlying assumptions, which describe the outset circumstances and characteristics of applying grounded theory in more general terms:

1. **Very diverse empirical material:** According to Strauss (1987) diverse empirical sources, such as interviews, transcripts and proceedings of meetings, field observations, statistics and other documents are indispensable data for social research. In order to generate beneficial theories from research where the empirical material is very diverse, the applied methodology has to be structured and flexible at the same time in order to handle the diversity of data. The dissertation aims at linking various means of corporate involvement to the concept of decision speed at the SBU-level. This requires an empirical rooting of the concept of corporate involvement in the research site. Since the interactions between corporate and SBU managers are at the center of observation, the data collected had to include both managerial levels. In addition, a broad number of SBUs were integrated, which further increased the diversity of the data material collected. Besides the integration of the two hierarchical levels and the high number of SBUs included, applying a two-step interview approach of grounded theory and t.o.p.GRID further increased the diversity of the dissertation’s data material. The two-step approach was necessary in order to make hidden perceptions of the respondents on the phenomenon of corporate involvement more transparent. In order to observe and analyze the specificity of the dissertation’s research object, diverse sets of perspectives and therefore empirical materials were required.

2. **Need for adequate qualitative methods of data analysis:** Strauss (1987) argues that traditional qualitative methods of data analysis are rudimentary compared to quantitative ones, which are more structured and standardized. He therefore suggests applying grounded theory as an adequate and standardized qualitative method of data analysis, which needs to be communicated widely throughout the scientific community. As discussed in the preceding chapter 4.1 (“The
dissertation’s general methodological approach’), the qualitative research methodology appears to be better suited to the specific characteristics of the dissertation and its research question. The grounded theory approach and its associated open, axial and selective coding procedures were selected in order to provide an adequate qualitative method of data analysis for the dissertation’s research.  

3. Need for effective theory: Strauss (1987) requires that the qualitative analysis of data has to result in the building of theory, which is effective at various levels of generality. As previously mentioned, the dissertation seeks to analyze the link between corporate involvement and decision speed in order to develop mid-range theory. Parallel to this approach, grounded theory centers on the generation and development of theories rather than the testing and falsification of them (Popper, 1994). At the same time grounded theorizing ensures that findings resulting from the study meet a certain degree of generality (Lamnek, 1995; Strauss, 1987; Strauss/Corbin, 1998). Both issues are applicable to the dissertation. The first one applies, since the dissertation seeks to develop theory from the empirical material on corporate involvement and decision speed. Secondly, applying grounded theory to the dissertation’s research sites allows for a generalization of the theoretical results within the boundaries of the research site definition.

4. Grounding in data: Strauss (1987) claims that theories have to be grounded in empirical data in order not to be speculative and therefore ineffective. As stated above, the dissertation’s methodological approach required the grounding of corporate involvement in the empirical data. This grounding in data has led to the conceptualization of nine specific activities, which broadly constitute the phenomenon of corporate involvement in the dissertation’s research. By grounding the concept of corporate involvement entirely within the data sample, i.e. by the respondents and interviewees themselves, the theory derived from the dissertation becomes more profound and effective. Another aspect of ‘grounding’ in the

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39 For the dissertation’s data collection process and the diversity of data sources, see: chapter 3.2 (‘Data collection’)

40 The coding procedures specific to the grounded theorizing methodology are illustrated and referred to the dissertation in the succeeding chapter 4.2.2 (‘The general methodological work process of grounded theory’) and chapter 5.1 (‘The dissertation’s work process of grounded theory’)
dissertation is the building of theory on the link between corporate involvement and decision speed. Without grounding in data, this research problem cannot be properly addressed.

5. **Complexity of social phenomena studied:** In order to properly observe and analyze complex social phenomena and to develop conceptually dense theory, Strauss (1987) proposes to apply the grounded theory approach. He argues that grounded theory is a complex method, which can absorb complex issues. It therefore enables the researcher to account for the high variation of the phenomenon studied, which in the dissertation is corporate involvement at the SBU-level. It is self-evident that this phenomenon accounts for a high variation. Involvement can be high, e.g. when corporate managers take part in joint strategic development activities. It can also be low, e.g. when corporate managers primarily impose financial figures on strategic business unit managers, which have to be met. Hence, depending on the type of corporate involvement, resulting strategic behavior can vary drastically. Grounded theory ensures that this complexity is integrated in the observation and analysis by establishing a methodology with a variety similar to that of the system being observed (Ashby, 1960, 1964, 1966).

6. **General guidelines and rules of thumb:** According to Strauss (1987) there can be no strict rules controlling qualitative analysis due to the high diversity of social settings, research projects and individual research styles. However, Strauss (1987) proposes that general guidelines and rules of thumb can be established through the application of grounded theory, which facilitates the effective analysis of qualitative data. Therefore, the benefits of grounded theory for the dissertation are twofold. As stated above, grounded theory assists in coping with the high complexity of the empirical data involved. At the same time it establishes general research guidelines, which simplifies the data analysis and facilitates the operational execution of the dissertation’s methodological proceedings.

7. ** Appropriateness of grounded theory guidelines across disciplines:** According to Strauss (1987) grounded theory guidelines are useful to researchers across a broad spectrum of disciplines (sociology, anthropology, political science, psychology, public health, nursing and education). The dissertation focuses around various disciplines, such as: sociology, psychology or business administration. The interdisciplinary approach of the dissertation is best represented by the application of grounded theory as well as the t.o.p.GRID/repertory grid technique. The latter
method originates in the field of clinical psychology and is applied to the field of business administration. Hence, grounded theorizing allows for the integration of multiple scientific disciplines within the dissertation.

8. *Research is work*: Research activities can be considered as sets of tasks, both physical and conceptual. Strauss (1987) claims that the notion of ‘research as work’ advocates a highly self-conscious approach to developing theory. In light of the dissertation’s conceptualization of corporate involvement at the SBU-level, it was vital to keep the terminological associations as unbiased and neutral as possible. This required a highly self-conscious and reflective approach, which resembles ‘work’-like characteristics.

As can be seen from the eight points by Strauss (1987) discussed above, the grounded theory research methodology leverages the observation and analysis of the dissertation’s research problem. This also stands for the criteria and motivations stated by Brown/Eisenhardt (1997), i.e. the phenomenon is hardly explored, by Burgelman (1985), i.e. the research focus lies on sequential process data and by Elsbach/Sutton (1992), i.e. the methodology is adjustable to the data. The following figure summarizes the motivating factors for grounded theory and applies them to the dissertation’s approach:
Thus, the key advantages of applying grounded theory to this dissertation lie in a whole set of motivating factors. One of the primary reasons for applying grounded theory to the dissertation is its focus on dynamic, social interactions, which represent a key part of the dissertation’s phenomenon of corporate involvement at the SBU-level. In addition, grounded theory has the capability to detect subtle notions and behavioral activities underlying the formal and more obvious structures of strategic processes.
Strauss/Corbin (1998: 166) delightfully depict these subtle notions of processes captured by applying the grounded theory methodology.41

“One could say that, at best, process is like a coordinated ballet or symphony, with each movement graceful, aligned, purposeful, sometimes thoughtful and other times habitual, and with one action leading into another. At its worst, it might resemble a soccer riot, with the acts misaligned, disrupted, uncontrolled, nondirected, and sometimes hurtful. Most human action/interaction, however, probably lies somewhere in between. It is not always as graceful as a ballet or as chaotic as a riot. In fact, it can be dull and routine but also novel and creative. Process demonstrates the ability of individuals, organizations, and groups to respond to and/or shape the situations in which they find themselves. In addition, process illustrates how groups align or misalign their actions/interactions and, thereby, are able to maintain social order, put on a play, have a party, do work, create chaos, or fight a war. As researchers, we want to capture these dynamic qualities and varied scenarios of action/interaction.”

4.2.2 The general methodological work process of grounded theory

Subsequent to illustrating the underlying assumptions and the relevance of grounded theory, the following section presents the actual work process of applying the grounded theory methodology. Lamnek (1995) proposes a three-step procedure, which is summarized in the following figure:

41 also see: Langley, 1999; van de Ven, 1992
In a first research step (‘object area / data / facts’) the focus is put on the broad field of empirical data. Glaser/Strauss (1967) encourage the use of comparative analysis as a strategic method for generating theory. By comparing empirically grounded data, generality and specificity with regards to certain phenomena can be established. This is especially supportive for the second research phase, which deals with the shift from substantive to formal theories. Glaser/Strauss (1967: 24) describe the benefits of the first research phase with regard to the generalization of data as follows.

“Our goal of generating theory also subsumes this establishing of empirical generalizations, for the generalizations not only help delimit a grounded theory’s boundaries of applicability; more important, they help us broaden the theory so that it is more generally applicable and has greater explanatory and predictive power. By comparing where the facts are similar or different, we can
generate properties of categories that increase the categories’ generality and explanatory power.”

Referring the first research phase conceptualized by Glaser/Strauss (1967) to the dissertation, requires making generalizations from the empirical data in the areas of corporate involvement at the SBU-level and the speed of strategic decision-making. By comparing various forms of corporate involvement at an essential number of organizational links between corporate management and strategic business units a broad and profound understanding of the phenomena can be gained.

In a second research step (‘substantive theories’) the goal is to increase the degree of generalization and aggregation by inductively formulating concepts and sets of hypotheses in specific object areas. Even though grounded theorizing is generally an inductive method, in this respect it can be applied deductively as the following quote by Glaser/Strauss (1967: 32) illustrates:

“…with either a propositional or discussional grounded theory, the sociologist can logically deduce further hypotheses. Indeed, deductions from grounded theory, as it develops, are the method by which the researcher directs his theoretical sampling.”

Strauss/Corbin (1998: 201) define theoretical sampling as the process of “data gathering driven by concepts derived from the evolving theory and based on the concept of ‘making comparisons’, whose purpose is to go to places, people, or events that will maximize opportunities to discover variations among concepts and to densify categories in terms of their properties and dimensions.” The process of iteratively going back and forth between data and theory and thus, simultaneously collecting and analyzing data, is one of the key characteristics and advantages of grounded theorizing. With regard to the dissertation, the second research phase implies that the data derived from the interviews is coded and explored in a specific object area such as e.g. corporate involvement activities at the SBU-level. On the basis of these derived codes and categories, preliminary hypotheses for specific object areas are developed.

42 Coding procedures according to grounded theory are explained in the remainder of this chapter.
In a third research step (‘formal theories’) the degree of generalization is further increased. Formal theories are mid-range theories as opposed to ‘grand’-theories and are characterized by having no restrictions with regard to time, space and universal validity. As stated by Glaser/Strauss (1967: 79) formal theories are derived on the basis of substantive theories resulting from the second phase within grounded theory.

“Our approach allowing substantive concepts and hypotheses to emerge first on their own, enables the analyst to ascertain which, if any existing formal theory may help him generate his substantive theories. (...) We believe that although formal theory can be generated directly from data, it is most desirable, and usually necessary, to start the formal theory from a substantive one. The latter not only provides a stimulus to a ‘good’ idea, but it also gives an initial direction in developing relevant categories and properties and in choosing possible modes of integration.”

Referring research phase three to the dissertation implies generalizing constructs detected throughout the coding procedures of research phase two and transforming substantive theories into formal theories.

Besides this general three-phase research approach, Strauss (1987: 17 – 20) points out the following eight issues associated with the basic work process of grounded theorizing:

1. Raising generative questions
2. Coding and linking concepts
3. Verifying theory
4. Tying in new data in the coding procedure
5. Integrating dimensions, distinctions and categories
6. Keeping track of theoretical ideas by memos
7. Recognizing the intersequential dependence between data collection, coding and memoing
8. Integrating further data while writing

1. Raising generative questions: Through close examination and thinking about the data in conjunction with experiential data, generative questions can be raised,
which are essential to making distinctions and comparisons between possible hypotheses, concepts and their relationships. In the dissertation this was done by closely examining the phenomenon of corporate involvement at the SBU-level. Generative questions were used to identify respondents’ perceptions on varying means of corporate involvement and their effects on strategic decision speed.

2. **Coding and linking concepts:** The research has to make provisional linkages among the created and discovered concepts. This process of linking and coding the concepts yields conceptually dense theory. In the dissertation this represents the step of linking the phenomenon of corporate involvement to the concept of strategic decision speed.

3. **Verifying theory:** During the subsequent phases of the research inquiry the provisional linkages found are constantly reexamined and crosschecked. This leads to a gradual and iterative verification of the preliminary theories discovered. Once provisional theories are derived with regard to the link between corporate involvement and strategic decision speed, a reexamination of these links is constantly carried out throughout the research process. This process of ‘going back and forth between data and theory’ prevents theories from being speculative and imaginary.

4. **Tying in new data in the coding procedure:** The logical elaboration of dimensions, the drawing of distinctions and the making of linkages must be tied in tightly with the examination and collection of new data. As pointed out above, the shifting between inductive and deductive research, i.e. the constant iteration between theory building and testing, represents a key feature of grounded theorizing. Once conceptualizations of corporate involvement and links to the speed of strategic decision-making are detected from the empirical field, they are iteratively reconsidered and evaluated as the coding and linking procedure moves on.

5. **Integrating dimensions, distinctions and categories:** Integration begins provisionally with the first linking of dimensions and categories. The more the (core) categories can be linked with other relating categories, the tighter the integration becomes. This step is achieved in the dissertation by strictly following the coding procedure and the coding paradigm, which is illustrated in the following. The dissertation seeks to categorize the phenomenon corporate involvement under core categories signifying different, interdependent corporate involvement activities, which stand representative for this object area.
6. **Keeping track of theoretical ideas by memos:** During the research project theoretical ideas should be noted, frequently reexamined and coded in order to achieve greater scope and conceptual density. In the dissertation, memos were additionally taken in order to put the respondents’ statements into the perspective of the situational circumstances.

7. **Recognizing the intersequential dependence between data collection, coding and memoing:** These three phases of research are closely connected to each other, e.g. the data collected and the memos taken subsequently undergo coding procedures. Throughout the research process the researcher needs to return to the data collected and analyzed in a prior research stage. This intertwining is referred to as ‘doubling back-and-forth’ procedure (Strauss, 1987: 19).

8. **Integrating further data while writing:** Additional integration of data is needed during the final writing phase of the dissertation. This is necessary in order to fill gaps that have been omitted during the data collection and coding phase.

Strauss (1987: 27) states “the excellence of the research rests in large part on the excellence of the coding.” Thus, the *coding of data* is an essential part of the grounded theory methodology. Glaser/Strauss (1967) differentiate between open, axial and selective coding procedures, which are subsequently described in greater detail. According to Glaser (1978: 55 – 82) the coding of data has the following five characteristics: (1) it follows upon and leads to generative questions, (2) fractures the data, thus freeing the researcher from description and forcing interpretation to higher levels of abstractions, (3) is the pivotal operation for moving toward the discovery of a core category or categories, (4) moves toward ultimate integration of the entire analysis and (5) yields the desired conceptual density. The following figure summarizes the general characteristics of the grounded theory coding procedure:
Strauss/Corbin (1998: 101) define ‘open coding’ as the “process through which concepts are identified and their properties and dimensions are discovered in data.” During open coding, data are broken down into discrete parts, closely examined and compared for similarities or differences. Events, happenings, actions, objects and interactions that are found to be conceptually similar or related are grouped under more abstract concepts termed ‘categories’. This close examination of the empirical data allows for a precise differentiation among categories. The overall phase of open coding in turn divided into the following two sub-phases: (1) conceptualizing and (2) categorizing. The first sub-phase, i.e. conceptualizing (1) deals with the selecting and labeling of the empirical observations. Data primarily from interview transcripts are broken down into isolated incidents, events and acts and are subsequently given a name that stands representative for these. These ‘names’ referred to as codes can either be placed because of the meaning they evoke when examining the data or directly from the respondents’ answers.43 Through comparative analysis, similar incidents or events, which share common characteristics with an object or a happening, are labeled with the same code. Once the interview-transcript is opened up

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43 The latter type of code is referred to as ‘in vivo codes’ (Glaser/Strauss, 1967).
and appropriate concepts are derived, the second sub-phase of open coding, which deals with discovering categories (2) is entered. In order to discover categories from the broad range of data retrieved, the codes and concepts found are grouped into more abstract, higher order categories. This enables the researcher to reduce the number of varying units of analysis being observed. In addition, categories have the potential to explain and predict and hence have more analytical power. Once a category is identified, specific properties and dimensions are specified. Through defining properties and dimensions, a category is differentiated from other categories and is therefore made more precise. Strauss/Corbin (1998: 101, 117) define ‘properties’ as “characteristics of a category, the delineation of which defines and gives meaning” and ‘dimensions’ as “the range along which general properties of a category vary, giving specification to a category and variation to the theory.” The following figure illustrates the conceptual tree of (core-) categories and constructs resulting from the coding procedure as well as their properties and dimensions:

![Conceptual Tree of Grounded Theory Codes and Categories](source: Adapted from Strauss/Corbin (1998))

**Figure 4-5: Grounded theory codes and categories**

In summary, open coding facilitates the steps of theory building, i.e. conceptualizing categories and developing them in terms of their properties and dimensions. Conceptualizing is the process of grouping similar items according to defined properties and giving these items a label, i.e. a category, which stands representative for the common link. In conceptualizing, large amounts of data are reduced to smaller, more manageable units of data. During the process of discovering categories,
properties for each category are assigned and specified. The variations of categories along these properties constitute certain patterns and clusters throughout the existing data and hence, build the underlying foundation for theory development.

Strauss/Corbin (1998: 123) characterize ‘axial coding’ as the “process of relating categories to their sub-categories, termed ‘axial’ because coding occurs around the axis of a category, linking categories at the level of properties and dimensions.” The purpose of axial coding is to reassemble data that were fractured during open coding. In axial coding, categories are related to their sub-categories along the lines of their properties and dimensions to form more precise and complete explanations about a phenomenon. The work process of axial coding follows the coding paradigm, which is an analytical tool devised to help researchers to systematically gather and order data in such a way that structure and process are integrated. The following figure displays the general outline of the coding paradigm within axial coding.

![The axial coding paradigm](image)

The following paragraphs describe the individual stages of the coding paradigm in general terms. A detailed illustration of the specific application of the paradigm in the dissertation’s work process is presented in chapter 5.1 (‘The dissertation’s work process of grounded theory’).
Causal conditions (1) represent sets of events or happenings that influence the phenomena such as e.g. corporate involvement activities as causal conditions influencing the speed of strategic decision-making at the SBU-level.

The phenomenon (2) of observation represents a repeated pattern of happenings, events or actions/interactions, which symbolizes what interviewees do in response to the situations in which they find themselves (Strauss/Corbin, 1998). In the axial coding procedure, phenomena are represented through categories.

Contextual conditions (3) are the specific sets and patterns of conditions that intersect dimensionally to create the set of circumstances to which persons respond through actions/interactions. Contextual conditions explain the background of a phenomenon along its properties and dimensions. Causal, contextual and intervening conditions shift and change over time, affect one another and combine in various ways along different dimensions.

Intervening conditions (4) mitigate or alter the impact of causal conditions on the phenomenon. This interference in the phenomenon frequently arises out of unexpected events, which in turn must be responded to through a form of action/interaction.

Strategic actions (5) are purposeful or deliberate actions and interactions that are taken to resolve a problem or deal with a certain situation and in doing so shape and influence the phenomenon. The concept of ‘action and interaction’ is significant since it not only denotes what goes on among individuals, groups and organizations but also includes interactive matters such as discussions about the phenomenon, negotiations and other forms of communication.

Consequences (6) are the results of strategic actions and interactions, which are taken in response to an issue or a problem or to manage and maintain a certain situation. They can also occur as a result of a lack of actions/interactions. Consequences have inherent properties and vary among others in duration, transparency, timing and impact. Outlining these consequences as well as explaining how they change situations and affect the phenomenon in question, provides more profound explanations and therefore ground for theory building.
The axial coding paradigm is summarized by the following quotation by Strauss/Corbin (1998: 128):

“The basic components of the paradigm are as follows. There are conditions, a conceptual way of grouping answers to the questions why, where, how come, and when. These together form the structure, or set of circumstances or situations, in which phenomena are embedded. There are actions/interactions, which are strategic or routine responses made by individuals or groups to issues, problems, happenings, or events that arise under those conditions. Actions/interactions are represented by the questions by whom and how. There are consequences, which are outcomes of actions/interactions. Consequences are represented by questions as to what happens as a result of those actions/interactions or the failure of persons or groups to respond to situations by actions/interactions.”

Strauss/Corbin (1998: 143) portray ‘selective coding’ as the “process of integrating and refining the theory derived.” Categories retrieved during open and axial coding are systematically integrated to form a larger scheme, which constitutes the form of theory. Integration is an ongoing process, which occurs over time and results in the discovering of a core category. By pulling the other categories together to form an explanatory whole, the core category represents the main theme of the dissertation. The selective coding procedure is very similar to the axial coding approach, except for the level of aggregation; i.e. in axial coding the coding paradigm is applied to relate categories to sub-categories – in selective coding the integration takes place between categories and a core category. Once a theoretical scheme has been developed from the coding procedures, the theory derived has to be refined, which consists of reviews for internal consistency and logical gaps. Poorly developed categories are saturated through further theoretical sampling. Strauss/Corbin (1998: 73) define ‘theoretical sampling’ as “sampling on the basis of emerging concepts, with the aim being to explore the dimensional range or varied conditions along which the properties of concepts vary.” This sampling procedure leads to a validation and theoretical saturation of the theoretical work in the dissertation.44

44 Strauss/Corbin (1998: 143) define ‘theoretical saturation’ as “the point in category development at which no properties, dimensions, or relationships emerge during analysis.”
4.3 T.o.p.GRID

Subsequent to the outlining of the grounded theory methodology, the following sections present the t.o.p.GRID method (Kruse, 2001, 1999; Raeithel, 1991, 1993), by which the dissertation’s concept of corporate involvement is linked to the concept of strategic decision speed. This chapter is divided into two sections. The first section presents the key characteristics that make t.o.p.GRID a relevant method for this dissertation’s research. In the second section the general methodological work process of t.o.p.GRID is described.\textsuperscript{45}

4.3.1 Relevance and key characteristics of t.o.p.GRID

T.o.p.GRID can be defined as a procedure of comparison between certain elements on the basis of developed constructs. By associating construct-poles and contrast-poles to elements, respondents provide characteristics and descriptions for an element. Hence, on the basis of the underlying constructs, the evaluation and assessment of elements is carried out. This assessment is conducted according to a standardized scaling procedure and leads to the development of a numbered matrix displaying all possibilities of construct-element relations (Kelly, 1955; Krafft, 1998). As illustrated here and previously in chapter 3.2.1 (‘Primary data sources: personal interviews’), t.o.p.GRID results in the determination of ‘similarities’ and ‘contrarieties’ between pre-defined elements such as corporate involvement means and the speed of strategic decision-making. The application of t.o.p.GRID in combination with grounded theory facilitates the objective to build theory on this link.

T.o.p.GRID is profoundly rooted in the repertory grid technique developed by Kelly in the 1950s and since then frequently applied in scientific fields such as clinical and medical psychology, psychiatry and psychotherapy (Kelly, 1955; also: Krafft, 1998; Raeithel, 1991, 1993; Scheer/Catina, 1993a/b). T.o.p.GRID continues and progresses the repertory grid technique by transferring it onto a computer-based platform. T.o.p.GRID’s software application not only simplifies the operational handling of the data-collection but also facilitates the detection and triggering of interviewees’ underlying tacit perceptions on the link between corporate involvement and the speed

\textsuperscript{45} For a detailed description of the dissertation’s t.o.p.GRID procedures, also see: chapter 3.2.1 (‘Primary data sources: personal interviews’) and chapter 5.2 (‘The dissertation’s work process of t.o.p.GRID – linking corporate involvement and decision speed’).
of strategic decision-making.\textsuperscript{46} T.o.p.GRID allows for an unbiased, neutral and representative observation of this link, since it detects the perceptions and tacit conceptualizations of the respondents involved (Kruse, 1999; Raeithel, 1991). Since t.o.p.GRID represents a recently developed form of repertory grid, very little literature on t.o.p.GRID is available to this date (except: Kruse, 1999). Due to the high methodological similarity between t.o.p.GRID and repertory grid the following sections concentrate on repertory grid, standing representative for the t.o.p.GRID method.

Repertory grid, initially developed as an interviewing method, is rooted in Kelly’s (1955) ‘psychology of personal constructs’. This form of construct psychology is based on the following main postulate (Catina/Schmitt, 1993: 16):\textsuperscript{47}

\begin{quote}
"The human being is active, since behavior is not caused externally but from within the individual itself (construing process). Hence, the human being itself causes the process which purpose it is to construct its relationships to the environment in a way that provides significant sense. The development of these processes is determined by the way, in which the individual anticipates and constructs him-/herself and his/her ‘reality’ of relationships."
\end{quote}

The underlying epistemological foundation of the repertory grid method can be found in Kelly’s ‘constructive alternativism’, which claims that every human being constructs the world as an experiential construct with regard to the circuitry systems of interpersonal relationships (Catina/Schmitt, 1993; Raeithel, 1991; Scheer/Catina, 1993a).\textsuperscript{48} In light of the constructive alternativism, Kelly (1995) proposes that there is no absolute truth, only truth “constructed by the interpretations of man.”

On the basis of the main postulate described above, Kelly (1955) articulates eleven principles of repertory grid, which he refers to as ‘corollaries’.\textsuperscript{49} The following

\textsuperscript{46} For a detailed description of the t.o.p.GRID data collection phase, see: chapter 3.2.1 (‘Primary data sources: personal interviews’)

\textsuperscript{47} This quotation is translated from German. Also see: Kelly (1955), Raeithel, 1991 and Scheer/Catina (1993a)

\textsuperscript{48} For constructive alternativism, also see: symbolic interactionism (Blumer, 1981), phenomenological interactionism (Schütz, 1971). Also: Kieser, 1999; Schwandt, 1994

\textsuperscript{49} Also see: Catina/Schmitt, 1993; Raeithel, 1991
paragraph briefly describes these principles and points out their relevance in light of the dissertation:

1. **Construction-principle:** Reality is individually constructed. In the dissertation, varying realities exist concerning different means of corporate involvement and their impact on the speed of strategic decision-making. For example, SBU managers are likely to perceive corporate involvement activities at the SBU-level differently than corporate managers carrying them out. Hence, the construction-principle allows for the integration of varying realities in the dissertation.

2. **Range of convenience-principle:** Each object area has its own system of constructs with well-defined boundaries. By applying t.o.p.GRID, the dissertation can explicitly focus on the different perceptions of the phenomenon of corporate involvement and its impact on decision speed.

3. **Individuality-principle:** Each individual has his/her own specific system of constructs. As pointed out in chapter 3.2.1 (‘Primary data sources: personal interviews’), major emphasis is put on integrating various interviewees with diverse perspectives of the dissertation’s phenomenon. T.o.p.GRID assists in observing the individual’s perception as well as in aggregating them to a group-level.

4. **Organization-principle:** Interpretation of ‘reality’ depends on the links and relationships among the constructs. Due to the high number of interviewees involved, a broad set of descriptive constructs is retrieved from the dissertation’s data material. Hence, the broad comparison of individual constructs within t.o.p.GRID facilitates the saturation and theoretical understanding of the elements.

5. **Experience-principle:** Human beings constantly reexamine their constructs and adjust them to the changes they are faced with. The dissertation’s research strongly focuses on how means of corporate involvement are perceived and how employees experience the impact on the speed of strategic decision-making. T.o.p.GRID forces respondents to define constructs in light of their personal experiences, which facilitates the detection of underlying assumptions on the relationships between involvement and decision speed.

6. **Modulation-principle:** The construct system can be changed according to the permeability of the system towards new experiences. Depending on the permeability of firms in the dissertation’s research site, conclusions can be drawn for the effects of corporate involvement means and strategic decision speed.
7. **Dichotomy-principle:** Constructs always have bipolar characteristics (e.g., structure: formal versus informal). By dividing constructs into a construct-pole and an opposed contrast-pole, respondents make their underlying mental maps more transparent. The dichotomy-principle facilitates the comparison between elements of corporate involvement and decision speed and provides clues on whether they are perceived as causally related.

8. **Selection-principle:** The individual is forced to select between a construct- and a contrast-pole.\textsuperscript{50} Kelly (1955) assumes that respondents select the pole, which is more permeable, i.e., which provides a broader basis for the explanation of future events. The selection-principle is relevant for the dissertation, since respondents assess corporate involvement and its effect on decision speed in light of their individual mental map, i.e. according to their dominant construct.

9. **Fragmentation-principle:** The more the system of constructs is differentiated, the more profound and saturated are the conclusions that can be drawn from them. Due to the inductive conceptualization of corporate involvement in the dissertation, it is essential to have a realistic understanding of the actual events. Therefore, a high number of fragmented constructs are collected in the dissertation to provide a differentiated understanding of the dissertation’s elements involved.

10. **Similarity-principle:** Communal experiences and similarities in language and culture can lead to the emergence of similar constructs. In the dissertation, different styles of corporate involvement with differing effects on decision speed are observed in reference to specific organizational contexts. The selection of a cross-industrial and cross-company data sample allows for fruitful comparisons between different areas of observation.

11. **Sociality-principle:** Communication with others depends on the proper decoding of the counterpart’s constructs (“dislodgement”). The high number of collected constructs for the limited number of elements ensures that phenomena are thoroughly described and significant conclusions are drawn from them.

In summary, t.o.p.GRID (Kruse, 1999, Raeithel, 1991) is a standardized interviewing method, which is widely open and flexible with regard to the content of the research

\textsuperscript{50} As pointed out in chapter 3.2.1 (‘Primary data sources: personal interviews’), t.o.p.GRID additionally provides the following options with regard to the selection of construct- and contrast-poles: ‘in-between’, ‘both’, ‘neither’ and ‘no answer possible’. 
Methodology and data analysis

T.o.p.GRID, which relates to Kelly’s repertory grid (1955), represents a well-suited method for the dissertation’s research. It enables the researcher to observe and analyze relationships between elements by considering highly differentiated constructs (Scheer/Catina, 1993a). By taking personal and contextual characteristics into consideration, the development of constructs aids in retrieving the underlying mental maps of the respondents. Each t.o.p.GRID interview results in a high number of personal assessments of elements and their relationships to other elements (Raeithel, 1993). In the dissertation, these elements represent means of corporate involvement as well as the speed of strategic decision-making. The aggregation of the individual results, leads to a profound understanding of corporate involvement activities at the SBU-level and their impact on the speed of strategic decision-making.

4.3.2 The general methodological work process of t.o.p.GRID

Subsequent to illustrating the underlying assumptions and the relevance of t.o.p.GRID/repertory grid respectively, the following section presents the actual work process of t.o.p.GRID (Kruse, 1999; Raeithel, 1991; Scheer, 1993). The following figure characterizes the sequence of working steps according to the t.o.p.GRID method:

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51 For an application of the t.o.p.GRID method in management studies, see: Krafft, 1998
The dissertation aims at integrating the t.o.p.GRID method with the approach of grounded theorizing. The working steps of t.o.p.GRID are elaborated in the following:

1. **Definition of the research problem:** As previously stated, the dissertation’s research objective focuses on the analysis and evaluation of nine corporate involvement means and their impact on the speed of strategic decision-making at the SBU-level. This generates the basis for the definition of the interview problem as well as the t.o.p.GRID design. The t.o.p.GRID method focuses on two topical fields: (a) the conceptualization of corporate involvement and (b) the substantiation of strategic decision speed. In a further step (‘development of the grid’) these two topical fields are connected in order to generate theory.

2. **Selection of elements:** With regard to the dissertation’s focus on the organizational link between corporate management and strategic business units, nine means of corporate involvement activities at the SBU-level have been inductively derived...
from the data material. The grounded theory coding procedures have led to the
discovering of nine corporate involvement ‘categories’, which constitute the core
category of corporate involvement at the SBU-level. These nine grounded theory
categories are subsequently introduced into the t.o.p.GRID method as elements. In
addition to these nine, inductively derived elements, the dissertation’s main theme
of decision speed at the SBU-level is integrated in the form of two elements: fast
decision speed and slow decision speed at the SBU-level.

3. Retrieval of constructs: As pointed out in chapter 3.2.1 (‘Primary data sources:
personal interviews’), respondents characterize each element-comparison with a
construct- and a contrast-pole. Individually assigned construct-poles are aggregated
to a group level and thus, form the underlying basis for multi-respondent element
comparisons.

4. Development of the grid: All elements (e.g. ‘target definition’ or ‘conflict
resolution’) are evaluated with regard to the constructs-poles (e.g. ‘motivating’ or
‘frustrating’). Individual perceptions are triggered and visualized through the
development of an element-construct grid.

5. Evaluation of interviews: The evaluation of the t.o.p.GRID interviews is threefold:
(a) Elements are grouped and differentiated along specific construct-patterns. This
is helpful in order to assign specific elements to the phenomenon of corporate
involvement. (b) Elements are related to each other in reference to similarity or
contrariety, which supports the linking of corporate involvement elements to
strategic decision speed elements and thus, provides the basis for the dissertation’s
research objective. (c) Constructs relating to a specific element and characterizing
a phenomenon can be reentered into the iterative process of the grounded theory
coding paradigm. This is valuable for the characterization of decision speed in the
dissertation’s data sample. For example, construct-poles associated with the
t.o.p.GRID element of fast decision speed can thus be recognized as grounded
theory codes and categories. The application of axial and selective coding
procedures for t.o.p.GRID constructs, which then represent newly entered
grounded theory codes and categories, assists in building a grounded understanding

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52 For a complete list of corporate involvement means, see: chapter 3.2.1 (‘Primary data sources:
personal interviews’) as well as chapter 5.1 (‘The dissertation’s work process of grounded
theory’)

of the respondents’ perception of strategic decision speed and its influencing factors.

The application of the t.o.p.GRID method in combination with grounded theorizing is beneficial for the dissertation. The t.o.p.GRID technique enables the researcher to detect and explore perceptions and subconscious beliefs of the respondents, which under traditional research conditions would be difficult to grasp. This advantage is especially valid for the software-based version of t.o.p.GRID since a high number of elements can be selected and responding is quick and automated, leaving little time for the respondent to think of the ‘politically appropriate’ answer but to click according to the tacit individual perception.

4.4 Limitations and evaluation criteria

The aim of the dissertation’s methodological procedures is to: (1) inductively derive and conceptualize the phenomenon of corporate involvement at the SBU-level, (2) to empirically confirm and substantiate the relevance of the concept of strategic decision speed in the data sample and (3) to link the two concepts and build mid-range theory on how and why corporate involvement affects the speed of strategic decision-making at the SBU-level. Conducting this kind of research in the empirical field requires the application of methodologies and methods. On the one hand, resting on a methodological foundation ensures meeting certain standards of quality and therefore increasing compatibility and chances of an exchange of thoughts in the scientific community. On the other hand, there are risks and limitations connected to every methodology and method applied. The following paragraphs summarize and evaluate limitations and key points of criticism connected to grounded theory (Lamnek, 1995; Strauss, 1987; Strauss/Corbin, 1998) as well as t.o.p.GRID (Catina/Schmitt, 1993; Kelly, 1955; Krafft, 1998; Raeithel, 1991, 1993; Scheer/Catina, 1993a/b).

1. Bias: Research cannot be conducted without having a certain subjective bias. For example, pre-assumptions already affect the selection of the data sample. Even though grounded theory tries to set principles and rules of thumb, a certain bias on
behalf of the researcher cannot be fully avoided. In the dissertation, the methodological phases and procedures are thoroughly documented and made transparent in order to reduce this bias. The documentation of the methodological procedures is especially important in light of the application of both, i.e. the grounded theory methodology as well as the t.o.p.GRID method.

2. **Abundance of data:** The iterative process of going back and forth between data and theory leads to an enormous amount of data, which makes it difficult for the researcher to cope with. The dissertation follows a balanced approach between too much and too little data. In a first step, grounded theory interviews were conducted, transcribed and coded. This provided a rich data set, necessary for a broad and profound understanding of corporate involvement and decision speed. In a second step, structured, software-based t.o.p.GRID interviews were conducted on the basis of the preliminary grounded theory findings. The t.o.p.GRID interviews allowed to some degree the narrowing down of the broad data set retrieved before.

3. **Intersubjectivity:** The exploration of social phenomena is highly complex. Methodologies with a high sensitivity towards these variations in social behavior such as grounded theory cannot fully grant for intersubjectivity. The problem of intersubjectivity applies to the dissertation as it does to other research studies focusing on complex social phenomena. The process of aggregation within the t.o.p.GRID method allows to some extent an increase in intersubjectivity.

4. **Verification of hypotheses:** Since the quantitative testing of hypotheses is not part of qualitative methodologies such as grounded theory, the verification of hypotheses is doubted. By applying the twofold approach of grounded theory and t.o.p.GRID qualitative as well as quantitative aspects are integrated in the dissertation. Even though hypotheses are not quantitatively tested within the t.o.p.GRID procedures, causal relations between primary components, i.e. t.o.p.GRID elements can be derived.

5. **Arbitrary handling of data:** Since the personal experiential background is a key-influencing factor in the phases of collecting, coding and analyzing data, the handling of data is partly perceived as uncontrolled and arbitrary. Similar to the aspect of ‘bias’ (1) stated above, uncontrolled handling of data is minimized by

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53 According to Strauss/Corbin (1998: 3), ‘methodology’ is defined as “a way of thinking about and studying social reality”; whereas ‘methods’ refer to “a set of procedures and techniques for gathering and analyzing data.”
thoroughly keeping record of the methodological procedures and providing comprehensive documentation thereof.

6. **Respondent’s behavior:** In addition to the researcher’s subjectivity it is also difficult to have control over the respondent’s behavior. By focusing on the definition of personal t.o.p.GRID constructs in relation to involvement and decision speed elements, the likelihood of deliberate response tactics is to some extent reduced.

7. **Validity:** Since mid-range theories are derived from coding procedures, which in turn are subject to bias and personal experience of the researcher, the validity of data, i.e. proving empirical points of reference for the theories developed, is difficult to achieve. As described in the above limitations ‘bias’ (1) and ‘arbitrary and uncontrolled handling of data’ (5), sources of bias and arbitrariness are minimized as much as possible in the dissertation. In addition, specific criteria suited for the evaluation of qualitative research designs are taken into consideration and presented in the following section.

In order to **evaluate the quality of a research design**, traditional, more quantitative oriented research studies apply the following four tests (Yin, 1984: 39 – 41):

1. **Construct validity:** Sufficient development of correct operational measures for the concepts being studied.

2. **Internal validity:** Establishing causal relationships, whereby certain conditions are shown to lead to other conditions as distinguished from spurious relationships.

3. **External validity:** Progressing from a particular set of results to a broader theory by increasing the outcome’s generalizability.

4. **Reliability:** Possibility of repeating a study and arriving at the same findings and conclusions.

Numerous authors, e.g. Eisenhardt (1989b), Pettigrew (1990), Popper (1994) and Yin (1984), have extended this list by a number of additional evaluation criteria. However, the underlying scientific principles primarily include significance, theory-observation, compatibility, generalizability, consistency, reproducibility, precision and verification (Gortner/Schulz, 1988; Strauss/Corbin, 1998). Hence, the evaluation criteria depicted above, primarily focus on quantitative methodologies.
As opposed to this stream of research, various qualitative researchers claim that the criteria and standards by which quantitative studies are evaluated are inappropriate for judging the quality of qualitative studies (Agar, 1986; Guba, 1981; Kirk/Miller, 1986; Merriam, 1995; Strauss/Corbin, 1998). This incompatibility is primarily due to the fact that quantitative criteria cannot be easily transferred to qualitative research without being modified to fit the specific characteristics of the design. Strauss/Corbin (1998) support this line of argumentation by supplementing an additional area of evaluation for qualitative research focusing on theory building. The authors claim that the empirical grounding of the findings retrieved is an essential aspect of evaluating the quality of a research design. In order to evaluate the empirical grounding of the findings, Strauss/Corbin (1998: 270 – 271) require the following criteria to be assessed.

<table>
<thead>
<tr>
<th>Criterion 1:</th>
<th>Are concepts generated via coding? What are their sources?</th>
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<tbody>
<tr>
<td>Criterion 2:</td>
<td>Are the concepts systematically related and linked?</td>
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<tr>
<td>Criterion 3:</td>
<td>Are there many conceptual linkages? Are the categories well developed? Do categories have conceptual density?</td>
</tr>
<tr>
<td>Criterion 4:</td>
<td>Is variation built into the theory? Are there various phenomena under various conditions?</td>
</tr>
<tr>
<td>Criterion 5:</td>
<td>Do the theoretical findings seem significant and to what extent?</td>
</tr>
<tr>
<td>Criterion 6:</td>
<td>Does the theory stand the test of time and become part of the ongoing discussions and ideas exchanged among relevant social and professional groups?</td>
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Every research study needs to be evaluated in terms of the standards and procedures of the method used to generate the research findings. In the preceding section several criteria for the evaluation of the empirical grounding of the findings have been laid out. The criteria displayed, provide the basis for a subsequent evaluation of the dissertation’s methodological approach. The following chapter illustrates in greater detail how grounded theory and t.o.p.GRID are specifically applied in the dissertation. The criteria for evaluating the quality of the design will thus be reexamined in the
dissertation’s context, once the specific methodological work process of the dissertation has been demonstrated.
5 Corporate involvement and decision speed in light of the empirical data

This chapter presents the concept of corporate involvement and decision speed in light of the dissertation’s empirical material. The methodological work processes outlined in the preceding chapter (‘Methodology and data analysis’) are accordingly put in context of the specific characteristics of the dissertation. This chapter is comprised of an inductive conceptualization of corporate involvement in the form of nine involvement means, an empirical substantiation of the literature-related concept of decision speed within grounded theory as well as a linking of these two concepts within t.o.p.GRID. This chapter is divided into three sections. The first section displays the dissertation’s specific work process of grounded theory and illustrates how the concept of corporate involvement is inductively derived from the data. Furthermore, the deductively introduced concept of decision speed is empirically substantiated and confirmed. The second section demonstrates the specific work process of t.o.p.GRID applied in the dissertation. This includes an illustration of how the dissertation’s constructs are retrieved, the three-dimensional grid is developed and thus, the two concepts are linked. Section three ties the grounded theory methodology and the t.o.p.GRID method together and summarizes the dissertation’s overall work process. Subsequently, the quality of the dissertation’s overall work process is assessed along formerly introduced evaluation criteria. The following figure visualizes the outline of this chapter as well as its key contents.
5.1 The dissertation’s work process of grounded theory

This chapter applies and refers the general work process of grounded theory depicted in chapter 4.2.2 (‘The general methodological work process of grounded theory’) to the specific design of the dissertation. This is done for the following three reasons: (1) to visualize and explain the individual steps of the grounded theory work process, (2) to demonstrate how the dissertation’s concept of corporate involvement is inductively derived from the data and (3) to substantiate the relevance of the concept of strategic decision speed in the dissertation’s empirical material. The detailed illustration of the grounded theory work process as well as the inductive conceptualization of corporate involvement is presented in the following subchapter 5.1.1. The empirical substantiation of the decision speed concept is dealt with in subchapter 5.1.2 (‘The speed of strategic decision-making – an empirical substantiation of its relevance’).

5.1.1 Corporate involvement at the SBU-level – an inductive conceptualization

The inductive retrieval and conceptualization of the involvement-category is of vital importance for the dissertation since (a) the phenomenon of corporate involvement is justified as relevant in light of the data sample, (b) nine means of corporate
involvement activities are derived and thus (c) the underlying basis for the subsequent methodological application of t.o.p.GRID is given. The main focus of this chapter is put on the inductive conceptualization of the dissertation’s phenomenon of corporate involvement at the SBU-level along the chronological sequence of the dissertation’s grounded theory work process. This approach ensures that the following criteria of the general work process depicted in chapter 4.2.2 are taken into consideration.\footnote{Chapter 4.2.2 (‘The general methodological work process of grounded theory’) The methodological issues presented in the table below are emphasized in the illustration of the dissertation’s work process and hence are marked in italics throughout this section.}

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<tbody>
<tr>
<td>formal theories</td>
<td>1. Generative questions</td>
<td>• O: open coding</td>
</tr>
<tr>
<td>substantive theories</td>
<td>2. Coding concepts</td>
<td>• A: axial coding (paradigm)</td>
</tr>
<tr>
<td>object area / data</td>
<td>3. Verifying theory</td>
<td>• S: selective coding</td>
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<td></td>
<td>4. Integrating new data</td>
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<td></td>
<td>5. Integrating dimensions</td>
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<td></td>
<td>6. Taking memos</td>
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<td></td>
<td>7. Interdependence of data</td>
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<td></td>
<td>8. Integrating further data</td>
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**Figure 5-2:** Grounded theory work process requirements\footnote{All three contributions in the table relate to Glaser/Strauss (1967). However, for reasons of transparency, each column has been allocated to a recent representation and contribution in the literature.}

As described in chapter 3 (‘The empirical setting’), semi-structured interviews following the methodological suggestions by Glaser/Strauss (1967) were conducted. In order to ensure a data sample, which is representative for the corporate- as well as the SBU-level, interviews were conducted at both levels in all five firms of the dissertation’s research site.\footnote{For a precise illustration of the research site, see: chapter 3.1 (‘Research site selection’). For an illustration of the primary data sources concerning grounded theory, see: chapter 3.2.1 (‘Primary data sources: personal interviews’).} The questions of the semi-standardized interviews were
kept *generative* (Strauss, 1987) in order to provide fruitful insights into the phenomenon of corporate involvement at the SBU-level. For example, interviewees were asked to specify how corporate managers in their organization got involved at the SBU-level. This generated a profound understanding of corporate activities and possible involvement means at the SBU-level. In addition, interviewees were asked to identify what kind of corporate involvement activities had an impact on the speed of strategic decision-making. This generated opportunities to better comprehend causal relationships between involvement means and the concept of decision speed.

The dissertation’s handling of the *object area / data / facts* (Lamnek, 1995) built on the technique of Glaser/Strauss (1967) and Miles/Huberman (1984). Various forms of corporate involvement at an essential number of organizational links between corporate management and strategic business units were observed and analyzed through interviewing organizational members in the research firms. Threats to the accuracy of the collected data were avoided by audio recording interviews and transcribing them verbatim. In addition, *memos* were taken subsequent to each interview and an interview diary was kept to note specific circumstances of interview situations and respondents’ backgrounds (Strauss, 1987).

The detailed transcriptions of the interviews provided data sources for *open coding* of the dissertation’s material (Strauss/Corbin, 1998). The dissertation’s coding procedures were carried out on the basis of the ATLAS.ti software, which facilitated the coding and linking of concepts, the grouping of concepts as well as the discovering of relevant categories (Strauss, 1987). The following figure refers to the conceptualizing phase of open coding by illustrating respondents’ statements to the question whether there were any established (corporate) management systems to enhance certain SBU behaviors:

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57 For a full illustration of the semi-structured interview-questions, see: appendix 4, p. 352
The above interview-excerpts demonstrate how codes were associated with the object area. On the basis of 312 pages of interview-transcriptions, 199 codes were assigned. In order to discover categories from the broad range of primary data, the codes were grouped into more abstract clusters, referred to as categories. For each category identified, specific properties and dimensions were associated. The definition of properties and the integration of dimensions described the category in precise terms (Strauss, 1987). Along the lines of the above example, the following figure demonstrates the process of discovering the dissertation’s category of financial incentives and its corresponding properties and dimensions.

58 Source: dissertation data; interview 9, line 820 – 826 and interview 5, line 391 – 396

The dissertation’s interviews were conducted in German. The translation into English is done for illustrative purposes.
The dissertation’s work process of axial coding subsequently followed the 6-step coding paradigm (Strauss/Corbin, 1998), which is outlined in the following along the above example of the financial incentives category. The causal condition (1) represents the dissertation’s underlying assumption that some form of corporate involvement activity potentially increases the speed of strategic decision-making at the SBU-level. An example of such a corporate involvement activity is one of the phenomena (2) derived from the dissertation’s open coding procedures, represented through the category financial incentives. The contextual conditions (3) explain the background of the category financial incentives by referring to the following properties and dimensions, that is financial incentives are characterized by (a) having an encouraging effect on employees, (b) being highly accepted and (c) by being intended and introduced rationally. Intervening conditions (4) alter the impact of the causal conditions. Inefficiencies and political behavior decrease the pace of decision-making at the SBU-level and therefore represent intervening conditions in the dissertation. Strategic actions (5) are deliberate actions that are taken to resolve this problem. In the dissertation, the installation of financial incentives by corporate managers creates a set of general rules and guidelines, which have financial consequences for the individual employee. The consequence (6) resulting from the
financial incentives is that employees adjust their decision-making behavior according to the financial incentives, i.e. they will most likely increase their decision speed in order to receive financial benefits. This in turn links to the causal conditions of the example (1), which argued that corporate managerial actions, i.e. installing financial incentives can increase the speed of strategic decision-making at the SBU-level. The following figure illustrates the coding paradigm along the dissertation’s financial incentive example.  

| 1. Causal condition: the speed of strategic decisions at the SBU-level can be increased by corporate managerial actions | COND |
| 2. phenomenon (category): financial incentives | PHEN |
| 3. Contextual condition: effect on employees acceptance corporate intention | encouraging high rational | CONTXT |
| 4. Intervening condition: inefficiency and power-related activities at the SBU-level slow decision-making | INTCND |
| 5. Strategic action / interaction corporate managers introduce general rules and guidelines with financial implications | STRAT |
| 6. Consequence: SBU managers adjust their decision-making behavior to the general financial incentives imposed by corporate managers | CONS |

Figure 5-5: Axial coding – applying the coding paradigm

To illustrate the process of iterative theory building, the above coding paradigm for the category financial incentives can be rephrased into the following hypothesis:

Rationally intended, highly accepted and encouraging (CONTXT) financial incentives (PHEN), which are introduced by corporate managers as general

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59 The other relevant categories in the dissertation have been derived along the same grounded theory work process. For illustrative purposes, the financial incentives example stands representative for the other work processes and is therefore described in greater detail.

60 The definition of this overly complex hypothesis is markedly not for testing-purposes, but for illustrative purposes of the iterative process of grounded theorizing.
rules and guidelines (STRAT) make SBU managers adjust their decision-making behavior to the financial incentives (CONS), which increases their speed of decision-making (COND), despite employees’ tendency to slow decision-making due to inefficiencies and power-related activities (INTCND).

The objective of the axial coding phase in the dissertation is to increase the degree of generalization and aggregation by linking concepts and developing hypotheses. By applying the coding paradigm, substantive theories are derived from the object area (Lamnek, 1995). The provisional linkages found are constantly reexamined and cross-checked, which leads to a gradual and iterative verification of the preliminary theories (Strauss, 1987). This iteration between theory and data leads to the constant integration of new data in the dissertation (Strauss, 1987). Thus, existing links between concepts are tied in tightly with the examination and collection of data.

In the process of selective coding (Strauss/Corbin, 1998), categories such as financial incentives are further refined along their dimensions. Based on the interdependence of data, categories and new empirical material are further integrated (Strauss, 1987). The formal theoretical concept of corporate involvement at the SBU-level is derived from the data material and inductively conceptualized in the form of nine specific means of corporate involvement, which thoroughly represent the dissertation’s phenomenon (Lamnek, 1995). The dissertation’s core category of corporate involvement meets the following six criteria required for a core category as stated by Strauss/Corbin (1998: 147). (1) Corporate involvement is central to the research, that is, all other major categories such as e.g. financial incentives are related to it. (2) Corporate involvement appears frequently in the data. Within the open coding phase the code of corporate-level activity and influence is assigned 99 times, which indicates the broad relevance of this term throughout the dissertation’s data material.61 (3) The explanation that evolves by relating the nine categories to constitute the core category of corporate involvement is logical and consistent. There is no forcing of data. (4) The phrase corporate involvement is sufficiently abstract that it can be used to do research in other substantive areas, leading to the development of a more general theory. (5) As the concept of corporate involvement is refined analytically through integration with other concepts, the theory grows in depth and explanatory power. (6) The concept of

61 In the dissertation, the number of assigned quotations per code ranges from two to 104.
corporate involvement is able to explain variation in other concepts such as e.g. the speed of strategic decision-making. The following figure presents the dissertation’s inductively derived core category of corporate involvement at the SBU-level as well as the associated categories, i.e. nine means of corporate involvement.

Figure 5-6: The dissertation’s inductive codes and categories of corporate involvement

5.1.2 The speed of strategic decision-making – an empirical substantiation of its relevance

In light of the firmly established concept of decision speed in the scientific literature, an inductive conceptualization of this concept from the empirical data is neither required nor does it appear desirable. As opposed to the inductive retrieval of the concept of corporate involvement from the empirical data material, the speed of

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62 For a detailed description of the concept of decision speed in the scientific literature, see: chapter 2.1 (‘The speed of strategic decision-making’
strategic decision-making is deductively introduced to the dissertation from the relevant fields of literature outlined in chapter 2.1 (Bourgeois/Eisenhardt, 1988; Eisenhardt, 1989a; Eisenhardt/Bourgeois, 1988; Judge/Miller, 1991; Wally/Baum, 1994). In addition to resting on the underlying decision-making literature, it is essential to substantiate and confirm the relevance of the existing decision speed concept in context of the dissertation’s data material. The following figure depicts decision speed-related codes and categories derived throughout the dissertation’s grounded theory coding procedures. Phenomena are conceptualized and codes are derived within open coding, of which some of the codes are depicted below. By applying the grounded theory paradigm of axial coding, groups of codes are aggregated to four categories. The selective coding subsequently leads to the retrieval of the core category decision speed, which empirically substantiates and confirms the concept of decision speed.

**Figure 5-7: Codes and categories around the speed of strategic decision-making**

The above figure illustrates how the literature-established concept of decision speed is also rooted in the dissertation’s empirical data material. Hence, the relevance of the
speed of strategic decision-making is confirmed and substantiated not only within the literature but also within the dissertation’s data material.  

### 5.2 The dissertation’s work process of t.o.p.GRID – linking corporate involvement and decision speed

The objective of the grounded theory work process described in the preceding chapter (‘The dissertation’s work process of grounded theory’) was to (1) inductively derive and conceptualize the phenomenon of corporate involvement at the SBU-level and (2) to empirically confirm the relevance of the concept of decision speed in the dissertation’s data sample. As an outcome of this initial phase, nine different means of corporate involvement are derived from the data. In addition, the concept of strategic decision speed is substantiated through the introduction of two elements related to decision speed. Within t.o.p.GRID, the two concepts are linked in order to build mid-range theory on how and why corporate involvement affects the speed of strategic decision-making at the SBU-level. Outcomes of the t.o.p.GRID method are threefold: (1) outcomes represent the detection of relationships and associations between individual corporate involvement means and the concept of strategic decision speed. (2) A broad collection of construct- and contrast-poles allows for a thorough description of the dissertation’s phenomena as well as the development of clusters of specific corporate involvement means. In addition, constructs defined within t.o.p.GRID are re-entered into the grounded theory-coding paradigm as codes or categories and thus provide the basis for further theory building. (3) As a combination of the two prior aspects, i.e. on the basis of the individual links as well as the associated constructs, a third possible outcome is the retrieval of specific modes and patterns of corporate involvement behavior affecting decision speed. The following section applies and refers the general work process of t.o.p.GRID depicted in chapter 4.3.2 (‘The general methodological work process of t.o.p.GRID’) to the specific design of the dissertation. The main focus is put on the chronological sequence of the general work process to ensure that the following steps are taken into consideration.

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63 For an explanation of the differentiation between fast decision speed (FDS) and slow decision speed (SDS), see: the following chapter 5.2 (‘The dissertation’s work process of t.o.p.GRID – linking corporate involvement and decision speed’).
1. **Definition of the research problem:** As previously pointed out, the dissertation’s research question can be stated as follows:

How and why does corporate involvement at the strategic business unit-level (SBU) affect the speed of strategic decision-making?

Hence, t.o.pGRID focuses on the evaluation of the phenomenon of corporate involvement at the SBU-level and its impact on the speed of strategic decisions. The phenomenon of corporate involvement is derived from the data and conceptualized through the grounded theory coding procedures. The speed of strategic decision-making is rooted in the literature (Eisenhardt, 1989a; Judge/Miller, 1991; Wally/Baum, 1994) and is additionally confirmed and substantiated within the grounded theory proceedings.\(^{64}\)

2. **Selection of elements:** For the application of t.o.pGRID in the dissertation, eleven elements are selected. Grounded theory coding procedures have led to the discovering of nine corporate involvement categories, which constitute the phenomenon of corporate involvement and subsequently are selected as elements in the t.o.pGRID method.

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\(^{64}\) For the deductive introduction of decision speed, see: chapter 2.1 (‘The speed of strategic decision-making’). For the empirical confirmation of it in the dissertation, see: chapter 5.1.2 (‘The speed of strategic decision-making – an empirical substantiation of its relevance’)

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1. financial incentives (FI),
2. target definition (TD),
3. corporate process-related involvement (CPI),
4. HR-/career incentives (CI),
5. arenas for discourse (AD),
6. coercive enforcement (CE),
7. sanctioning (SN),
8. conflict resolution (CR) and
9. corporate content-related involvement (CCI),

In addition to these nine, inductively derived elements, the concept of decision speed is included through the selection of the following two t.o.p.GRID elements:

10. fast decision speed (FDS)
11. slow decision speed (SDS)

Due to t.o.p.GRID’s interviewing technique and its rooting in Kelly’s dichotomous psychology of personal constructs (1955), the concept of decision speed is divided into two opposed elements: fast and slow decision speed. With only one neutral decision speed element, t.o.p.GRID could only provide information on whether an element (e.g. financial incentives) is generally perceived to be associated with decision speed or not. The twofold definition of decision speed however, makes it possible to analyze whether a specific corporate involvement mean is associated with speeding up or slowing down the SBU-decision-making process.

3. Retrieval of constructs: As described in chapter 3.2.1 (‘Primary data sources: personal interviews’), respondents characterize each element-comparison with a construct- and a contrast-pole. This leads to a vast amount of constructs characterizing the elements observed within t.o.p.GRID. For example, the element financial incentives is characterized by 354 constructs within the dissertation’s t.o.p.GRID data. Respondents compare other elements on the basis of the individually assigned constructs. Constructs are also recognized as additional codes and categories and are reapplied within grounded theory coding procedures. In order to visualize the dichotomous approach of t.o.p.GRID, an excerpt of ten
exemplary construct- and corresponding contrast-poles are displayed for the element financial incentives.

<table>
<thead>
<tr>
<th>construct-pole</th>
<th>contrast-pole</th>
</tr>
</thead>
<tbody>
<tr>
<td>encouraging</td>
<td>discouraging</td>
</tr>
<tr>
<td>solution-oriented</td>
<td>procrastinating</td>
</tr>
<tr>
<td>enabling</td>
<td>restricting</td>
</tr>
<tr>
<td>aligning</td>
<td>blurry</td>
</tr>
<tr>
<td>inspiring</td>
<td>authoritarian</td>
</tr>
<tr>
<td>motivating</td>
<td>frustrating</td>
</tr>
<tr>
<td>participative</td>
<td>isolating</td>
</tr>
<tr>
<td>transparent</td>
<td>contradictory</td>
</tr>
<tr>
<td>efficient</td>
<td>inefficient</td>
</tr>
<tr>
<td>appreciating</td>
<td>boycotting</td>
</tr>
</tbody>
</table>

Table 5-1: T.o.p.GRID constructs to the element financial incentives

4. Development of grid: All elements, i.e. the nine involvement means and the two decision speed elements are evaluated with regard to the constructs (e.g. encouraging versus discouraging). Individual perceptions are triggered and visualized through the development of an element-construct grid. At the level of the individual respondent, the three-dimensional grid is referred to as self-structure analysis (SSA). At the level of multiple interviews this SSA is aggregated into the multi-SSA (Kruse, 1999; Raeithel, 1991). The underlying statistical procedure goes along the lines of a primary component analysis, which allows comprising the respondents’ differing opinions and perceptions into a three-dimensional structure (Pedhazur/Schmelkin Pedhazur, 1991).\textsuperscript{65} The X-axis represents the largest perceived difference between elements according to the respondents’ evaluation within t.o.p.GRID, the Y-axis the second largest and the Z-axis the third largest

\textsuperscript{65} For a literature example of applying qualitative grounded theory methodology in combination with quantitative methods such as primary component analyses or factor analyses, see: Neu/Graham, 1994.
perceived difference. The purpose of applying a primary component analysis in the form of t.o.p.GRID is to arrive at a relatively small number of components that extract most of the variance provided by the data set (Pedhazur/Schmelkin Pedhazur, 1991). The primary component analysis’s requirement of orthogonality is fulfilled in t.o.p.GRID through the underlying dichotomous construct- and contrast-poles, which are not correlated per definition. The following figure illustrates the Bremer-Bertin matrix, which represents a two-dimensional display of a single, randomly selected interview from the dissertation’s data material. In a subsequent step the three-dimensional single interview SSA is derived, which in turn is further aggregated into the multi-SSA.

66 The dissertation’s t.o.p.GRID data material provides the following three axes: X-axis: highest positive value: fast decision speed (+3.412) – highest negative value: slow decision speed (-3.320); Y-axis: highest positive value: coercive enforcement (+3.027) – highest negative value: arenas for discourse (-0.605); Z-axis: highest positive value: coercive enforcement (+1.520) – highest negative value: arenas for discourse (-2.585).
Figure 5-9: Bremer-Bertin display

The following figure displays the corresponding single self structure analysis (SSA) of a randomly selected dissertation interview.
5. Evaluation of interviews: The evaluation of the t.o.p.GRID interviews is threefold:
   (a) Elements are grouped and differentiated along specific construct-patterns. This is helpful to assign characterizing constructs to the phenomenon of corporate involvement. (b) Elements can be related to each other in reference to being similar or contrary. This aids in linking corporate involvement elements to strategic decision speed elements and thus provides the basis for the dissertation’s research objective. (c) Constructs relating to a specific element and characterizing a phenomenon can be reentered into the iterative process of the grounded theory coding paradigm. This is valuable for the characterization of fast decision speed in the dissertation’s data sample. For example, construct-poles associated with the t.o.p.GRID element of fast decision speed are thus, recognized as grounded theory codes and categories. The iterative application of axial and selective coding procedures for t.o.p.GRID constructs, i.e. newly entered grounded theory codes and categories aids in building a grounded understanding of the respondents’ perception of strategic decision speed and its influencing factors.
5.3 Synthesis and evaluation - the dissertation’s overall work process

In the preceding paragraphs, the individual work processes of grounded theory and t.o.p.GRID have been described in light of the dissertation’s research approach. In the succeeding section the link and interplay between grounded theorizing and t.o.p.GRID are summarized and the dissertation’s design is evaluated in light of the criteria previously mentioned in chapter 4.4 (‘Limitations and evaluation criteria’). The following figure displays the dissertation’s overall work process and describes the different steps of the two approaches as well as their integration.67

67 For grounded theory see: chapter 4.2.2 (‘The general methodological work process of grounded theory’) and chapter 5.1 (‘The dissertation’s work process of grounded theory’). For t.o.p.GRID see: chapter 4.3.2 (‘The general methodological work process of t.o.p.GRID’) and chapter 5.2 (‘The dissertation’s work process of t.o.p.GRID – linking corporate involvement and decision speed’).
The interplay between grounded theorizing and t.o.p.GRID can be described as follows. In a first step, *(1) grounded theory* is applied for the delineation of the research area and the development and generation of problem related codes and concepts from the empirical data. This primarily affects the conceptualization of corporate involvement at the SBU-level. Through axial and selective coding, categories and core-categories are derived from the grounded theory data material. This procedure is repeated for the empirical substantiation and confirmation of the
literature concept of strategic decision speed. Resulting from the initial phase of grounded theorizing, the core category of corporate involvement is derived and its constituting nine involvement means are conceptualized. In addition the concept of decision speed is empirically substantiated and proven relevant within the dissertation’s data material.

In a second research phase, (2) t.o.p.GRID integrates the derived core categories from grounded theory by introducing eleven elements. In order to analyze the influence of the broad phenomenon of corporate involvement phenomena on the speed of strategic decision-making, nine elements represent different involvement means. Decision speed is integrated through two elements: fast and slow decision speed. Respondents’ answers provide a rich set of constructs, which describe the elements and allow for the grouping and clustering of certain corporate involvement means. By defining constructs within t.o.p.GRID, respondents specify the grounded theory conceptualization of corporate involvement and the notion of decision speed and thereby progress the iteration between theory and data required by grounded theory. In addition, the three-dimensional grid provides a visualization of the respondents’ perceived associations, i.e. whether elements are considered as more similar or more different. The actual development of the construct-element grid provides findings on the relationships between corporate involvement and decision speed. The grid visualizes and reflects whether certain involvement means are more associated with fast decision speed than others.

In a third step, (3) grounded theory, the constructs resulting from t.o.p.GRID elements are passed back into the grounded theory coding process for further examination and evaluation. Within this final phase of grounded theorizing, corporate involvement modes, i.e. corporate behavioral patterns are derived and linked to the concept of decision speed. The linking of means and modes to decision speed provides explanations of ‘why’ corporate involvement affects decision speed and allows for developing a mid-range theoretical model. Hence, the data collection in this iterative process never entirely ceases because coding and t.o.p.GRID continue to raise new questions that can only be addressed by the gathering of new data or the examination of previous data (Strauss, 1987).
Following the illustration of the dissertation’s overall work process, the quality of the dissertation’s design is evaluated. Numerous criteria have been presented in chapter 4.4 (‘Limitations and evaluation criteria’), which are subsequently assessed and put into the specific context of the dissertation (Strauss/Corbin, 1998).

**Criterion 1: Are concepts generated via coding? What are their sources?**

The dissertation’s data sample and sources as well as the coding procedure is thoroughly selected, described and documented throughout the preceding chapters. The inductive concept of corporate involvement is carefully derived from the data material within open, axial and selective coding procedures. The concept of decision speed is introduced from scientific literature sources and is additionally empirically confirmed and substantiated within the dissertation’s data sources.

**Criterion 2: Are the concepts systematically related and linked?**

Within the axial and selective coding procedures of grounded theory the retrieved codes are properly related and linked. Following the coding paradigm and other grounded theory guidelines ensures a systematical and standardized approach. Within t.o.p.GRID, concepts are systematically related and linked on the basis of construct-comparisons with regard to the eleven elements described above.

**Criterion 3: Do categories have conceptual density and linkages?**

The dissertation’s categories are tightly linked, which pertains both to categories and their codes as well as to individual categories and the main core category. In the preceding sections, the category financial incentives is thoroughly described. This implies, documenting and grouping its underlying codes as well as aggregating financial incentives together with other categories to the core category of corporate involvement. The introduction of these categories into the t.o.p.GRID method further increases their conceptual density since constructs provide descriptive properties and dimensions and construct-based comparisons enhance their specificity and explanatory power.68

**Criterion 4: Is variation built into the theory?**

Variation is built into the dissertation’s design since the concepts of corporate involvement behavior and decision speed are observed at a series of organizational interfaces between corporate management and SBU-levels.

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68 The term ‘category’ refers to grounded theory and relates to the term ‘element’ within t.o.p.GRID.
Through observing a broad range of different means and modes of involvement, additional variety and dimensions are brought in. Hence, numerous phenomena (involvement, decision speed), conditions (corporate-SBU interactions) and actions (involvement means and modes) are specified in the dissertation and therefore increase the variation built in.

Criterion 5: Do the theoretical findings seem significant and to what extent?

Strauss/Corbin (1998: 272) refer to significance as delivering new information and guidelines for action. Hence, the practical significance of the dissertation’s findings lies in a better understanding of the corporate management actions required to increase the speed of strategic decision-making at the SBU-level and therefore enhance overall firm performance. The theoretical significance of the dissertation lies in the progression of the existing decision speed research, primarily brought forward by Eisenhardt (1989a). Existing decision speed determinants are confirmed and substantiated, new determinants are inductively derived as involvement means and modes relating to corporate–SBU interactions.

Criterion 6: Does the theory stand the test of time?

Whether the dissertation’s findings have a long-term effect on the discussions and ideas exchanged among the relevant scientific groups has yet to be determined. However, interest by members of the scientific community was shown with regard to a presentation of the dissertation’s preliminary findings (Kownatzki, 2001).
6 Results – individual links between corporate involvement and decision speed

This chapter presents and discusses the key results of the dissertation with regard to the concept of decision speed and the specific influence of nine individual means of corporate involvement. It is divided into three sections.

The first section introduces the conceptualization of decision speed within the dissertation’s data material, gives an overview of the overall grid and portrays the perceived organizational effects of fast and slow decision speed on the basis of associated typical t.o.p.GRID constructs.

The second section presents the dissertation’s specific findings with regard to the impact of individual means of corporate involvement on decision speed at the SBU-level. The nine subchapters in this section individually focusing on the corporate involvement mean are arranged in the sequence of perceived impact of the involvement means on the speed of strategic decision-making.

Section three, reiterates the conceptualization of decision speed and summarizes the retrieved findings on the specific links between the nine means of corporate involvement and decision speed. Furthermore, detailed results from the t.o.p.GRID funnel selection and globular analysis are depicted. The following figure visualizes the outline of this chapter as well as its key contents.
6.1 The overall grid and the speed of strategic decision-making

As described during the deductive introduction of the core concept of decision speed in chapter 2.1, the ‘speed of strategic decision-making’ represents an essential management issue and is therefore significantly dealt with in the strategic management literature.69 Eisenhardt (1989a) as one of the key representatives in this realm qualitatively assesses decision speed as the respondents’ perceived speed of decisions

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69 For a specific illustration of the concept of decision speed and its rooting in the literature, see: chapter 2.1.4 (‘Decision process outcome: the speed of strategic decisions’)

and additionally corroborates this notion by quantitatively measuring the duration of actual decisions. The dissertation strongly emphasizes the concept of strategic decision speed at the SBU-level and the respondents’ perception thereof. Chapter 5.1.2 (‘The speed of strategic decision-making – an empirical substantiation of its relevance’) illustrates how the literature-established concept of decision speed is substantiated through four categories and subsequent codes observed in the dissertation’s empirical data: 

1. prioritization of strategic issues and decisions, 
2. intelligibility of corporate actions, 
3. process efficiency and 
4. procedural transparency. 

Furthermore, the respondents’ conceptualization of decision speed can be stated as follows: **Decision speed as a critical success factor of firm performance is the duration of time utilized to evaluate and select -on the basis of reasoning, awareness, negotiation, power positions and other forms of impetus and momentum- from various strategic options, which are subject to approval, denial, agreement or disagreement by the decision-maker.**

The following quotation from one of the dissertation’s interviews describes this notion of decision speed:

> “Successful … unsuccessful … it has to be fast. That is the key criterion for success. You have to be fast. It must not be a never-ending story. You have to come up with solutions and results. If you have long discussions you won’t be successful. This, employees have to understand and be aware of. And, it implies to have the right mixture of people, people with analytical skills who are capable of thinking strategically and others who think more like the general crowd.”

In order to provide information on whether a corporate involvement mean is associated with accelerating or reducing the speed of strategic decision-making, the general concept of decision speed is divided into two maximally opposed centroids: fast decision speed (FDS) and slow decision speed (SDS). Simultaneously, these two centroids denote the largest perceived difference between elements according to the respondents’ evaluation within t.o.p.GRID. Therefore, FDS and SDS are farthest apart

70 For a detailed description, see: figure 5-7 (‘Codes and categories around the speed of strategic decision-making’)

71 Source: ATLAS.ti code- and memo-list concerning the speed of strategic decisions

72 Source: dissertation data; interview 5, line 1152 – 1157
within t.o.pGRID and constitute the SSA’s X-axis. The following t.o.pGRID multi-SSA illustrates the two decision speed centroids (FDS and SDS) as well as the following nine means of corporate involvement: (1) FI: financial incentives, (2) TD: target definition, (3) CPI: corporate process-related involvement, (4) CI: HR- / career incentives; (5) AD: arenas for discourse; (6) CE: coercive enforcement by corporate management, (7) SN: sanctioning, (8) CR: conflict resolution and (9) corporate content-related involvement.

Fast decision speed is associated with 339 constructs. By applying t.o.pGRID’s funnel selection, the researcher is provided with an analytical tool, which allows detecting the congruence between elements/centroids and their descriptive constructs in the form of statistical correlations. In order to describe the typical characteristics of a specific centroid, a correlation of at least 70 percent has to be ensured between centroid and

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73 Primary components for t.o.pGRID’s X-axis: FDS: fast decision speed (+3.412), SDS: slow decision speed (-3.320)

74 Constructs visualized in this multi-SSA represent the 649 constructs assigned within the t.o.pGRID method.

75 Centroids represent a number of individual elements aggregated into one focal point in the three-dimensional grid.
construct (Kruse, 1999). Fast decision speed is characterized by 26 typical constructs, which concentrate around the following four attributes: (1) the aspect of ‘transparent procedures and regulations’, (2) the aspect of ‘solutions, outcomes and results’, (3) the aspect of ‘appreciation and trust’ and (4) the aspect of ‘time, change and dynamism’. The attributes mentioned above and subsequently elaborated, illustrate the respondents’ perceptions of fast decision speed and its general organizational effects.

The first characterization (1) ‘transparent procedures and regulations’ is based on the underlying notion that fast decision speed is linked to efficiency. In light of this perception, respondents assume that having a clear-cut set of rules and procedures, which transparently align and regulate employees’ behavior, speeds up decision-making processes and provides a sense of orientation. This understanding goes along with a measurable and fact-based management by objectives. Transparent and observably regulated procedures clarify behavioral standards and provide employees with a sense of direction. This aspect of fast decision speed is described in the following interview quotation.

“Clearly standardization. Standardized and efficiency-driven tools you can adapt worldwide. Let me give you an example. Our brand character tool is a one-page piece of paper. Who ever works on a global brand of one of our customers, let it be in South Africa or in Finland, everyone has the brand character tool in front of them on their desk – and that tool looks the same all over the world. If the employee is not willing to accept that, he will not be allowed to work on that brand. This consistency to structure and apply these common standards worldwide really symbolizes our strength and made our company so successful.”

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76 A 45-degree angle to the focal axis of the funnel represents a correlation of 0.707 between element/centroid and associated constructs. All selected constructs within a funnel of 25 degrees in angle, have correlation coefficients of more than 0.90 to the centroid/element observed.

77 Typical FDS constructs associated with the attribute of ‘transparent procedures and regulations’ are stressed in italics (10 constructs). With five mentioned cases in t.o.p.GRID, the term ‘transparent’ represents the sixth most often associated construct.

78 Source: dissertation data; interview 4, line 1550 – 1559
The second t.o.p.GRID attribute area characterizing fast decision speed (2) ‘solutions, outcomes and results’ is based on the perception that fast decision speed is a substantial part of firm performance. Fast decision speed is also considered as a supporting and influencing factor to firm performance. Respondents associate fast decision speed with corporate interventions on the basis of quantitative performance figures. The underlying notion of this view is that an orientation towards performance outcomes and problem solutions helps increase the speed of strategic decision-making. The following interview quotation describes this aspect of fast decision speed.

“In this case you have to look at our history. In ’91 and ’92 the situation was more serious than we had expected, and we almost went out of business. Back then we didn’t have the time to think about our long-term strategy – our focus was survival. This experience of course influenced our corporate managers, who wanted to make sure that something like that would never happen to us again. That is why the corporate-level introduced financial performance figures as a mean of control. (…) This forced us to move faster – just by the outcome orientation being in place.”

The third t.o.p.GRID attribute area characterizing fast decision speed (3) ‘appreciation and trust’ is based on the notion that the more trust and autonomy employees are given the faster is their decision-making process. Respondents feel that employees who are more appreciated by being empowered and taken seriously tend to decide faster than others. Relationships on the basis of trust, enhanced communication, mutual sharing and cooperation provide less friction and delay and motivate employees to behave more entrepreneurially. The following interview quotation illustrates this aspect of fast decision speed.

“In this case you need to rely on motivation again. You have to say: ‘great, super, awesome!’ In most management meetings 90 percent of the interactions are compliments and praise, like ‘I’ve heard you did this. Great. And he did

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79 Typical FDS constructs associated with the attribute of ‘solutions, outcomes, results’ are stressed in italics (4 constructs).

80 Source: dissertation data; interview 5, line 271 – 280

81 Typical FDS constructs associated with the attribute of ‘appreciation and trust’ are stressed in italics (6 constructs).

82 Source: dissertation data; interview 4, line 1067 – 1072
that. Wonderful – that’s the right direction.’ That’s the way you have to go about it, to keep your employees motivated and this is your only chance to stay fast and alert.”

The fourth characterizing t.o.p.GRID attribute area (4) ‘time, change and dynamism’ concentrates on the temporal aspect of fast decision speed.83 This notion links to temporal phases and the speed of managerial decisions, e.g. by describing them as fast. It also refers to specific points in time by denoting the timeliness and appropriateness of strategic decisions and by the focus on anticipating upcoming developments (future-orientation). Considering decision-making in combination with temporal issues creates an orientation towards actions, since time and speed of strategic decision-making become measurable criteria for success. The following interview quotation illustrates this aspect of fast decision speed.84

“Strategic topics with which we had a first mover position have always been brought up and developed on the basis of scientific analyses of how people anticipate future changes in society. This was really an important insight – to just look at things from a future perspective and to develop ideas on that basis. Mostly, the ideas coming out of this process are very strong.”

The above paragraphs have illustrated the concept of decision speed, the overall multi-SSA (t.o.p.GRID) as well as the typical constructs associated with the FDS-centroid. The following four t.o.p.GRID attribute areas recapitulate fast decision speed and its effects on the organizations involved: (1) the aspect of ‘transparent procedures and regulations’, (2) the aspect of ‘solutions, outcomes and results’, (3) the aspect of ‘appreciation and trust’ and (4) the aspect of ‘time, change and dynamism’. Since the dissertation’s concept of strategic decision speed is divided into the two opposed centroids of FDS and SDS, the following paragraph illustrates the empirical notions and organizational effects associated with slow decision speed (SDS).

83 Typical FDS constructs associated with the attribute of ‘time, change and dynamism’ are stressed in italics (6 constructs).
84 Source: dissertation data; interview 2, line 997 – 1001
Slow decision speed is associated with 327 constructs. By applying t.o.p.GRID’s funnel selection, 33 typical constructs for slow decision speed can be retrieved. Along the lines of the FDS attribute areas, the SDS typical constructs concentrate around the following four attribute areas: (1) the aspect of ‘intransparency and disorientation’, (2) the aspect of ‘problem-orientation and passivity’, (3) the aspect of ‘depowering and distrust’ and (4) the aspect of ‘time, stagnation and lethargy’. These attribute areas, which are subsequently elaborated, illustrate the respondents’ perceptions of slow decision speed and its effects on the organization.

The first characterization (1) ‘intransparency and disorientation’ is based on the underlying notion that slow decision speed is linked to incomprehension and disorientation. In light of this perception, respondents assume that resting on vague, indistinct and partly even contradictory information creates confusion among managers and therefore slows their decision-making processes down. According to this view, decisions are randomly taken and heavily depend on individual preferences as opposed to coordinated group decisions. In some cases, this implies an individual solely making a decision without including other organizational members in the decision-making process. This subsequently conceals and blurs organizational processes and leads to asymmetrical information among employees. As opposed to transparent procedures and commonly binding regulations (FDS), isolated actions, vague information and organizational disorientation are strongly associated with slow decision speed. These aspects of slow decision speed are described in the following interview quotation.

“Three or four years ago, we realized that this kind of thinking was not healthy for us. We were really thinking within the box: my department, my employees, my customers, my projects – ‘Get your hands off! I can of course lend you some of my employees, for compensation of course and only if I a cannot use them in my own department.’ That was really unhelpful for us. Nobody knew what was going on. We were slow and inefficient.”

85 Typical SDS constructs associated with the attribute of ‘intransparency and disorientation’ are stressed in italics (13 constructs). With seven mentioned cases, the term ‘disoriented’ represents the most often associated construct within the t.o.p.GRID data sample.

86 Source: dissertation data; interview 1, line 346 – 353
The second t.o.p.GRID attribute area characterizing slow decision speed (2) ‘problem-orientation and passivity’ assumes that slow decision speed is caused by an overly emphasized orientation towards problems and a lack of positively connoted objectives to strive for. Respondents associate slow decision speed with restricting and limiting corporate interventions in content-related matters. This implies specific corporate directives on how to carry out certain content-related business activities at the SBU-level. The managerial conduct on the SBU-side is characterized by a submissive and passive behavior. Instead of concentrating on solutions, results and outcomes (FDS), slow decision speed is more associated with a problem focus. Individual objectives are protected and outside market influences are hardly recognized. This setup leads to a lenient style of decision-making and hence, slows decision speed down. The following interview quotation illustrates an example of a corporate content-related intervention resulting in slow decision speed as perceived by the SBU.

“We are patronized – on the leash! (...) Sometimes we are forced to agree to campaigns we don’t even consider as high-quality or even suitable under the given circumstances. And, when you run out of good arguments and you are tired of quarrelling, then you finally give in and nod: ‘alright then – we’ll do it.’”

The third t.o.p.GRID attribute area characterizing slow decision speed (3) ‘depowering and distrust’ is based on the notion that taking managerial autonomy away from SBU employees by distrusting or depowering them, slows their speed of strategic decision-making. Respondents feel that slow decision speed is typically associated with a lack of acceptance and too little reliance and confidence in SBU managers’ actions. In light of this understanding, corporate interventions are often perceived as making SBU employees dependent on corporate guiding, potentially creating an anxiety of loss of control and autonomy on behalf of the SBU. Hence, decision speed is slow primarily due to corporate interventions being perceived as hierarchically delaying and externally controlling and regulating SBU-behavior, leaving too little room for

87 Typical SDS constructs associated with the attribute of ‘problem-orientation and passivity’ are stressed in italics (7 constructs).
88 Source: dissertation data; interview 4, line 383 – 387
89 Typical SDS constructs associated with the attribute of ‘depowering and distrust’ are stressed in italics (8 constructs).
entrepreneurial opportunities. The following interview quotation illustrates this attribute area of slow decision speed.90

“Sometimes, they are told exactly what to do. That means they are told not only what is generally expected from them, but they receive specific orders on how to do their business. This can even affect the color of their presentation or the unit price of a specific product to be sold. A lot of people don’t appreciate this type of corporate control because they feel shut out and held back. You have to be really careful not to discourage your employees, otherwise resistance builds up and processes become inefficient.”

The fourth characterizing t.o.p.GRID attribute area (4) ‘time, stagnation and lethargy’ concentrates on the temporal aspect of slow decision speed.91 Respondents associate slow decision speed with putting off and procrastinating necessary managerial actions and decisions. Processes relevant for the speed of strategic decision-making are inhibited and paralyzed. The status quo is unaltered and sluggishness among employees prevails, which leads to a slow speed of decision-making and stagnation. The following interview quotation illustrates this temporal aspect of slow decision speed.92

“Of course, sometimes the team doesn’t work together well or staffs don’t get along with their superiors. Then management activities that should normally be taken are postponed, important decisions are overdue and the whole process slows down again.”

In summary, the above paragraphs have concentrated on three building blocks: (a) In a first step the notion of decision speed and its organizational effects are referred to the literature and empirically elaborated within the dissertation’s data material. The respondents’ perceptions of decision speed is reiterated as follows:93

90 Source: dissertation data; interview 10, line 27 – 33
91 Typical SDS constructs associated with the attribute of ‘time, stagnation and lethargy’ are stressed in italics (5 constructs).
92 Source: dissertation data; interview 10, line 41 – 43
93 Source: ATLAS.ti code- and memo-list concerning the speed of strategic decisions.
Decision speed as a critical success factor of firm performance is the duration of time utilized to evaluate and select - on the basis of reasoning, awareness, negotiation, power positions and other forms of impetus and momentum- from various strategic options, which are subject to approval, denial, agreement or disagreement by the decision-maker.

The t.o.p.GRID multi-SSA visualizes how strategic decision speed, divided into fast decision speed (FDS) and slow decision speed (SDS), relates to the other nine t.o.p.GRID centroids representing various means of corporate involvement.

(b) In a second step, the typical constructs associated with the FDS-centroid are denoted, grouped and illustrated. The following four t.o.p.GRID attribute areas recapitulate fast decision speed and its effects on the organizations involved.

Respondents typically associate FDS with:
(1) the aspect of ‘transparent procedures and regulations’,
(2) the aspect of ‘solutions, outcomes and results’,
(3) the aspect of ‘appreciation and trust’ and
(4) the aspect of ‘time, change and dynamism’.

(c) In a third step, the typical constructs associated with slow decision speed are presented. The following four t.o.p.GRID attribute areas summarize slow decision speed and its organizational effects.

Respondents typically associate SDS with:
(1) the aspect of ‘intransparency and disorientation’,
(2) the aspect of ‘problem-orientation and passivity’,
(3) the aspect of ‘depowering and distrust’ and
(4) the aspect of ‘time, stagnation and lethargy’.

The following subchapter concentrates on neighboring centroids of FDS and SDS within the t.o.p.GRID multi-SSA, presenting and discussing findings on how different means of corporate involvement influence the speed of strategic decision-making at the SBU-level.
6.2 Corporate involvement means and their impact on decision speed

This section presents the dissertation’s findings of the impact of individual means of corporate involvement on the speed of strategic decision-making at the SBU-level. As thoroughly described in chapter 5.1.1 (‘Corporate involvement at the SBU-level – an inductive conceptualization’), nine means of corporate involvement are inductively derived from the dissertation’s data material. The following sections describe the perceived organizational effects of these corporate involvement means and illustrate how individual corporate involvement means influence the speed of strategic decision-making at the SBU-level. The following subchapters are arranged in the sequence of the perceived impact of the individual corporate involvement means on the speed of strategic decision-making. This implies that the corporate involvement mean financial incentives presented in chapter 6.2.1 increases decision speed more than e.g. corporate content-related involvement presented in chapter 6.2.9. For the sake of comparability and intelligibility, the following nine subchapters, going in line with the dissertation’s nine means of corporate involvement are organized according to the same standardized structure. First, each inductively derived corporate involvement mean is referred to relevant literatures in the realm of strategic management. In a second step, the dissertation’s conceptualizations of the individual corporate involvement means are presented and qualitatively supported by grounded theory interview quotations. In order to keep the definitions derived from the empirical data material as close as feasible to the original statements, a high number of terms directly used by the respondents is integrated into the definitions, making them more lengthy and complex. However, the complexity of the empirical conceptualizations appears justified in light of the close proximity to the actual empirical data. In a third stage, associated constructs are presented according to the t.o.p.GRID funnel selection. On the basis of the retrieved typical constructs, attribute areas are developed, illustrating the general perceived characteristics and the organizational effects of the individual mean of corporate involvement. Fourthly, the individual attribute areas relating to the organizational effects are described in greater detail and individually elaborated through qualitative interview excerpts. After a short summary, results from the t.o.p.GRID globular analysis are presented and a visualization of the data in the form of the multi-SSA is depicted in a fifth step. Subsequently, if a significantly positive association between the individual involvement mean and decision speed is detected, an analysis of the perceived link is presented on the basis of the overlapping typical
constructs retrieved from the t.o.p.GRID funnel analysis. If no significant association between the involvement mean and decision speed is detected, the sixth phase demonstrates a general evaluation of the perceived associations on the basis of similarities between centroids within t.o.p.GRID globular analyses. In both cases, findings are qualitatively corroborated through the presentation of interview excerpts. In a seventh stage, the main findings are summarized and the succeeding corporate involvement mean is introduced. This standardized structure and outline of the following nine subchapters may seem repetitive at times. However, in light of the importance of mutual comparability and for the sake of transparency and simplicity, this drawback appears as a minor inconvenience.

6.2.1 Financial incentives

The topic of financial incentives represents an essential management issue and is therefore significantly dealt with in the strategic management literature (Kerr, 1985; Pitts, 1974; Rajagopalan/Finkelstein, 1992; Salter, 1973). Hambrick/Mason (1984) summarize this by proposing that managerial aspirations and thus strategic decision-making vary considerably based on the proportion of managers’ income tied to the performance of a firm. Galbraith/Merrill (1991) support this link for strategic business units by analyzing the effect of compensation programs on decision-making and hence on the competitive strategic positioning of the SBU. The concept of financial incentives according to the dissertation’s respondents is conceptualized as follows: ‘financial incentives are associated with varying kinds of materialistic financial bonuses, profit participation schemes and remuneration and reward systems, which on the basis of quantitative and measurable figures and targets, are aimed at enhancing individual and firm performance in a self-regulatory manner.’\textsuperscript{94} The following quotation from one of the dissertation’s grounded theory interviews describes the extent to which respondents feel influenced by financial incentives:\textsuperscript{95}

“That is very simple: you will be rewarded. That is the way it works around here. Everybody knows – that you get rewarded if you perform well. You wouldn’t believe how much of an incentive that is for people here.”

\textsuperscript{94} Source: ATLAS.ti code- and memo-list concerning financial incentives

\textsuperscript{95} Source: dissertation data; interview 9, line 820 – 822
According to t.o.p.GRID interview responses, the corporate involvement mean of financial incentives is associated with 354 constructs out of which 55 constructs have a correlation to the centroid of more than 70 percent (funnel-selection). These typical constructs concentrate around the following three attribute areas: (1) the aspect of ‘aligning, structuring, organizing’, (2) the aspect of ‘participating, involving, caring’ and (3) the aspect of ‘initiating, triggering’.

The first characterization of financial incentives (1) deals with the rational, fact-based structuring and planning side of this corporate involvement mean. This characterization assumes that employees are rational to some degree and almost mechanistically respond to financial incentives by adjusting their behavior to maximize possible financial benefits. This notion of financial incentives is expressed by constructs such as result-, outcome- and solution-oriented, rule- and fact-based as well as consistent and consequential. From this standpoint, the corporate involvement mean of financial incentives is a self-regulatory system, which mechanically makes employees seek a desired outcome. This is described by the following interview quotation:  

"Of course everybody in this partnership is influenced by the total profits made throughout the year. This is extremely important with regard to self-regulating the internal processes … for example if a strategic topic doesn’t succeed or if its performance is bad (...) Standardized and quantifiable planning in this respect is an important issue. There is a rule-based mechanism, which coordinates every manager in the company by means of financial participation. Therefore, of course, everybody wants profits to increase and everybody feels influenced by that."

The personal effects and the entrepreneurial autonomy that goes along with this rational view of financial incentives is illustrated in the following quotation: 

"The mathematical model allows me to freely define the variable portion of my salary in percentage points. For example, I can determine that the variable portion of my salary should be 25 to 40 percent. This, of course, bears the risk that I might underperform, but also the opportunity that I overperform."

96 Source: dissertation data; interview 2, line 608 – 615
97 Source: dissertation data; interview 1, line 1092 – 1096
The second characterizing viewpoint of financial incentives (2) focuses on the more emotional and empathic effects of this corporate involvement mean. This characterization assumes that financial incentives motivate and support employees by caring for them and involving them within strategic processes. In light of this perspective, financial incentives enable managers to share and assign responsibility, prepare for consensus and increase trust and self-confidence among the employees involved. This notion of financial incentives is expressed by constructs such as participative, agreeing, appreciative, comprehensible or facilitating. From this standpoint, the corporate involvement mean financial incentives has a clarifying and stimulating effect, which enables and motivates employees to seek a desired outcome. The corporate perspective of this involvement mean is described in the following interview quotation:

“...Yes, we have a very ‘materialistic’ incentive system. One of our customers is the Jäger Le Coultre Group, a relatively expensive brand for watches; that is between 8 and 10,000 Swiss Francs. We bought a watch, which is engraved on the back. Each month this watch is passed on to another well-performing manager. One month, he is allowed to wear it and in the next month he has to return it at our monthly management meeting. If he is the ‘star’ again, he can keep it for the next month, otherwise he has to pass it on. At the end of the year, we do the yearly performance calculation to figure out: ‘who is the overall winner?’ This person then gets to keep the watch for good. (...) This is a purely soft factor. It all comes down to do something because it’s fun. That’s why you have to be thankful and honor individuals in your firm. However, all this is strictly done on the basis of economic output factors. We have budget deviation, which tells me whether I am under or over the budget, revenue-figures, net operating profit ... altogether we have four or five figures, which we have uncompromisingly calculated and then created a list ranking.”

The third characterization of financial incentives (3) deals with the aspect of initiating strategic actions and triggering certain behaviors. This notion revolves around constructs such as activating, inspiring, urging or assigning. From this perspective,
financial incentives create a drive towards increasing the speed of strategic decision-making. The following quotation depicts this aspect of financial incentives:⁹⁹

“Well, I think that speed requires a certain degree of impatience. And I think the driving force behind this impatience is that it is actually good for us ... I mean, we actually get something out of it, because 50 percent of the profits goes to us. So, on the financial side, there are a lot of incentives. In addition, there is also the incentive to prove to someone that I manage my job and perform well.”

The above paragraphs have described the corporate involvement mean financial incentives and its threefold effect on organizations, i.e. (1) the aspect of ‘aligning, structuring, organizing’, (2) the aspect of ‘participating, involving and caring’ and (3) the aspect of ‘initiating, triggering’. These three fields of characterization link to the t.o.p.GRID constructs most highly correlated to the centroid of financial incentives. Within t.o.p.GRID, the following three constructs have a correlation coefficient of over 90 percent to the centroid financial incentives: (1) transparently aligning and organizing, (2) sharing and assigning responsibility (3) enabling and motivating. In summary, the characteristics of financial incentives and its organizational effects are best encapsulated through the three aspects outlined above.

Out of all nine observed corporate involvement means, respondents associate financial incentives most closely to fast decision speed. This perceived similarity is visualized in the multi-SSA, depicted in the following figure for the centroids financial incentives (FI) and fast (FDS) as well as slow decision speed (SDS).

⁹⁹ Source: dissertation data; interview 4, line 1015 – 1021
In order to fully comprehend the respondents’ underlying motivations to closely link financial incentives to fast decision speed, overlapping typical constructs with both centroids are analyzed. As described above, financial incentives is comprised of 55 typical constructs, i.e. constructs with a correlation coefficient of 70 percent and over. As described in chapter 6.1 (‘The overall grid and the speed of strategic decision-making’), fast decision speed is characterized by 26 typical constructs. The area of intersection between the typical FI and FDS constructs consists of 15 constructs and provides ground for interpretation of the perceived causal relation between the two centroids. The constructs within the area of intersection also allow drawing conclusions with regard to the ‘how’-part of the research question, i.e. ‘how does corporate involvement at the strategic business unit-level (SBU) affect the speed of strategic decision-making?’ The following list groups the 15 overlapping FDS and FI constructs mentioned above into six main topical areas (a – f).

a.) Fact-based / clear-cut / reducing complexity / measurable / quantifiable / transparently organized: From the SBU’s perspective financial incentives represent pre-defined, quantifiable sets of rules, which are commonly applicable.

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100 For the purpose of three-dimensional visualization, constructs depicted in this t.o.p.GRID multi-SSA represent the 339 constructs respondents associate with fast decision speed (FDS).
Since managerial procedures are transparent and clear-cut, the complexity of behavioral interactions is partially reduced, which leads to an increase in the speed of strategic decision-making. This line of thought is depicted in the following interview quotation:101 “We get a set of parameters. These are financial numbers expected to be achieved and these are presumptions, which apply to all of us in the same way. Then we go back to our work ... medias res ... and return with a strategic alignment, which has to reflect these financial figures.” Respondents associate fast decision speed with transparency and reduced complexity, which is a key characteristic provided by financial incentives.

b.) *Intervening performance-driven / outcome-, result- and solution-oriented:* As described above, financial incentives speed decision-making processes by providing clearly marked objectives and rewards for achieving them. In addition, a general organizational orientation towards performance, outcomes and results provides a common motivating language and a set of behavioral guidelines, which result in higher group coherence. Focusing on performance also creates an urge among SBU managers to mutually cooperate in order to achieve specified results in a given time frame. On the basis of this reasoning, interventions by corporate managers specifically relating to performance and result figures are perceived as more legitimate and motivating as opposed to intruding and interfering. In light of this explanation, it is apparent that financial incentives represent a vital and broadly applied mean of corporate involvement at the SBU-level. The following interview quotation demonstrates how corporate management applies financial incentives and integrates them in the form of strategic controlling systems.102 “Top managers basically go along throughout the whole process. This automatically leads to the three-year financial plan, which in the following period turns into the one-year plan ... and ... then is continually monitored on an annual and monthly basis. These result- and outcome-figures are then reentered into the three-year plan and the whole thing links back somewhere to the strategy development meetings. The whole thing is kind of a closed cycle.”

c.) *Enhancing communication / agreeing on targets:* Financial incentives align, structure and organize managerial behavior by forcing employees to communicate and agree on mutual targets. As the following quotation illustrates, targets are pre-

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101 Source: dissertation data; interview 6, line 77 – 80
102 Source: dissertation data; interview 3, line 491 – 497
defined within financial incentive systems. \textsuperscript{103} “Well, for the year 2000 there are, as
a test-run, unbinding, financial, quantifiable target agreements, which will be
binding as of January 1, 2001. These can also be non-economic targets, such as
fluctuation-rates, employee-stability or the number of developed and promoted
employees. All these are quantifiable target agreements, which at the end of the
year are measured and then form the underlying basis for calculating the variable
incentive portion of the salary.” The underlying notion of this specific aspect of
financial incentives is that target agreements increase the speed of decision-making
by enhancing communication and creating consensus among managers, reducing
friction and giving a sense of future direction.

d.) \textit{Trusting:} By introducing financial incentives corporate managers enhance the
aspect of trust within the organization. Employees rely on the rationality,
transparency and continuity of financial incentives as opposed to nepotism and
other forms of preferential and political treatment. Financial incentives create
commonly accepted targets and legitimize activities to achieve them. The
following interview quotation illustrates the aspect of trust:\textsuperscript{104} “Especially,
transparency. You know, for all this data you need trust, trust in the data being
right and consistent. Yes, trust is really important.” Financial incentives increase
trust among organizational members by defining commonly applicable standards of
behavior. Trusting employees are more willing to share responsibilities. Hence,
trust substitutes coordination and delegation activities and increases the speed of
strategic decision-making.

e.) \textit{Action-oriented:} As described above, financial incentives activate and inspire
management activities for several reasons. On the one hand, managers adjust their
behavior solely to realize the financial benefits provided for such an adjustment.
On the other hand, by involving and supporting managers, financial incentives
motivate and stimulate employees to take actions and hence to make decisions. The
following quotation gives an example how financial incentives lead to higher
action-orientation:\textsuperscript{105} “You get a budget of let’s say 40 days. That means you
are allowed to study and research a topic of your choice for 40 days, but at the end, I
want to have two articles, I want you to have attended 3 conferences, I want you to

\textsuperscript{103} Source: dissertation data; interview 1, line 1062 – 1069
\textsuperscript{104} Source: dissertation data; interview 4, line 1082 – 1084
\textsuperscript{105} Source: dissertation data; interview 1, line 1444 – 1449
have hired 14 new employees and I want you to hold a presentation in front of the internal market-department about your topic. For all that, you are entitled to a budget of ‘n’ days. We are now in the process of establishing this kind of incentive system.” Hence the underlying notion of the above construct is that financial incentives go along with a managerial orientation towards action, which in turn is a vital influencing factor for the speed of strategic decision-making.

f.) Anticipating / future-oriented / timely: As pointed out in the above paragraph on ‘agreeing on targets’, financial incentives provide a sense of future direction, which gives employees clear objectives to achieve. The anticipation of a future state makes it easier to visualize necessary present actions and hence to speed the decision-making process. The following quotation illustrates this aspect of financial incentives.106 “The passenger-side [SBU] as a separate controlling unit is given financial incentives and objectives. This unit gets the numbers and future prognoses from the network- and yield-management department. Forecasts primarily focus on the development of the yield. What are our assumptions? How are yields really going to develop? This we multiply with the underlying growth, which brings up our total estimated revenue. And then we say: okay, these are the costs I can afford.” The following quotation illustrates how a driving force such as financial incentives is needed to make employees consider future developments:107 “It is always important to make them and sometimes even force them to think into the future. (...) It is the same in every business. For example, if you have a new product – it might have a huge market potential, but to start the whole thing can be difficult. You have to force yourself … and a lot of times this effort is contradictory to the short-term performance. That’s why you need a driving force behind it, which makes you look ahead, even though it might not make sense in the present situation.” Hence, the aspects of anticipation and future-orientation incorporated within financial incentives speed up the decision-making process since they prepare employees for the actions and decisions necessary to flexibly deal with future situations.

The above paragraphs have described how respondents perceive the corporate involvement mean of financial incentives and its impact and close link to the speed of strategic decision-making.

106 Source: dissertation data; interview 5, line 362 – 370
107 Source: dissertation data; interview 3, line 537 – 545
Results – individual links between corporate involvement and decision speed

strategic decision-making. This is done on the basis of 15 typical and overlapping constructs, which are grouped around six topical areas (a) to (f). These topical areas describe how financial incentives influence decision speed. They also link back to the analysis of financial incentives and their three general organizational influences. The topical area (a) and (b) (‘fact based’ and ‘intervening performance-driving’) refer to the first (1) characterization of financial incentives, which deals with the rational, mechanistical structuring and planning side of this corporate involvement mean. The topical area (c) and (d) (‘enhancing communication’ and ‘trusting’) refer to the second (2) characterization of financial incentives, which focuses on emotional and empathic effects of financial incentives. The topical area (e) and (f) (‘action-oriented’ and ‘anticipating’) refer to the third (3) characterization of financial incentives, which deals with the aspect of initiating strategic actions and triggering desired behaviors. The perceived causal relation between financial incentives and fast decision speed is reviewed as follows:

In summary, the corporate involvement mean of financial incentives strongly enhances fast decision speed at the SBU since it (1) aligns, structures, organizes managerial behavior, (2) involves managers in strategic processes, motivates and provides care for employees and (3) initiates and triggers actions. All three issues are perceived by the respondents as essential for speeding the decision-making process at the SBU-level.

Financial incentives represent the corporate involvement mean which respondents most closely associate to fast decision speed. Hence, financial incentives represent a powerful device for corporate managers to get involved at the SBU-level and to increase the speed of strategic decision-making. Target definition as another mean of corporate involvement is perceived as very similar to financial incentives. It represents the second most closely associated centroid to fast decision speed. Hence, the following section focuses on the corporate involvement mean target definition and its impact on the speed of strategic decision-making.
6.2.2 Target definition

The corporate involvement mean target definition represents a profoundly studied research topic in the scientific management literature. Langley (1989, 1990) calls attention to the fact that procedurally rational decision-making is generally oriented towards organizational goals. Hitt/Tyler (1991: 329) describe strategic decision-making as a “series of analytical processes whereby sets of objectives are used to evaluate strategic alternatives.” Dean/Sharfman (1996: 373) link target definition to the effectiveness of strategic decision-making processes and argue that “an orientation toward organizational goals makes it more likely that strategic decision processes will be effective”. In the dissertation, the concept of target definition is associated to a broad array of differing notions. On the basis of ATLAS.ti code- and memo-lists concerning the dissertation’s concept of target definition, the following conceptualization is given. ‘Target definition as a mean of corporate involvement circumscribes quantitative as well as qualitative, strategic and operational goals, which on the basis of hierarchical power, strategic plans, analyses of anticipated internal and external developments, negotiation, bargaining and other forms of individual and group interactions are commonly established in order to motivate, stimulate, evaluate and reward the carrying out of specified managerial actions and the accomplishment of certain strategic goals within a pre-defined period of time.’

The following quotation portrays the dissertation’s notion of target definition: 108

“Targets, actions, resources, economic outcome – that’s the cycle. The key thing is to have targets. These targets have to be agreed upon and coordinated and negotiated with all employees who can contribute. There is no point in defining a target by and for myself. You constantly have to inform and talk about it with others. You have to say: ‘Where are we today?’; ‘What actions do we have to take?’ The most essential issues are time and money and with time I really mean people: for example in order to achieve a target you have to provide the necessary personnel or have the CFO update our consultants. And then the realization of targets has to be measured and with this evaluation you go back into the target definition dialogue; and you communicate which of the targets have been fulfilled and which have not.”

108 Source: dissertation data; interview 4, line 1052 – 1067
Within t.o.pGRID, target definition is associated with 365 constructs. 56 constructs have a correlation to the TD-centroid of more than 70 percent (funnel-selection) and are therefore considered typical constructs. Due to the respondents’ perceived high similarity between the TD- and FI-centroids, 39 out of the 56 typical TD-constructs are identical to the typical FI-constructs.\(^\text{109}\) These 39 typical constructs concentrate around the following two attribute areas, thoroughly described in the preceding section: (1) the aspect of ‘aligning, structuring, organizing’ and (2) the aspect of ‘participating, involving, caring’.\(^\text{110}\) According to the respondents’ perceptions, the third FI aspect of ‘initiating, triggering’ is not significantly associated to the corporate involvement mean of target definition and is therefore omitted in the following depiction. The remaining 17 typical constructs of target definition can be divided into constructs supporting the existing two attribute areas and constructs establishing a new TD attribute area (3). For example, the first aspect of ‘aligning, structuring, organizing’ is further supported by constructs such as clarifying, accomplishing transparency or sparing exhausting discussions. The aspect of ‘participating, involving, caring’ is additionally substantiated by constructs such as creating commitment and communication or animating and enlivening cooperation.

The remaining typical TD-constructs forming a new attribute area (3) focus on the notion of ‘objectives, prospects and future goals’ employees strive for. This characterization of target definition assumes that employees seek to adjust their behavior in order to achieve pre-defined targets and envisioned future outcomes. This notion of target definition is expressed by constructs such as providing prospects, target-driven or performance-oriented leadership. Hence, target definition, as a mean of corporate involvement provides the opportunity to make employees seek a desired outcome. This is described by the following interview quotation:\(^\text{111}\)

\(^{109}\) The overlapping 39 typical FI-constructs constitute for 69.4 percent of the typical TD-constructs.

\(^{110}\) Due to the identical representation of both attribute areas for FI as well as TD and to avoid redundancies, this section only demonstrates new and additional attribute areas found for the centroid target definition. For a detailed illustration of the first two attribute areas (i.e. ‘aligning, structuring, organizing’ and ‘participating, involving, caring’), see: chapter 6.2.1 (‘Financial incentives’).

\(^{111}\) Source: dissertation data; interview 5, line 699 – 702
“We need to define goals for the future and develop a strategy how to get there. For this, we need to consider our strategic flexibility. This really means we have to define strategic goals and show possible ways to achieve them and not just to continue and extrapolate from our past.”

The above paragraphs have described the corporate involvement mean target definition and its threefold effect on organizations, i.e. (1) the aspect of ‘aligning, structuring and organizing’, (2) the aspect of ‘participating, involving and caring’ and (3) the aspect of ‘objectives, prospects and future goals’. Within t.o.p.GRID, the following constructs have a correlation coefficient of over 90 percent to the centroid target definition: enabling, motivating, stimulating and inspiring. In comparison to the FI-centroid, these highly correlated TD-constructs make clear, that the notion more closely associated to target definition lies on the aspect of ‘participating, involving and caring’ as well as ‘objectives, prospects and future goals’. Despite the perceived high similarity between FI and TD, it becomes clear that TD puts less emphasis on the aligning and structuring side and more on the motivational side creating commitment for required future actions.

Within t.o.p.GRID, the corporate involvement mean target definition represents the second most closely associated centroid to fast decision speed. This perceived similarity is visualized in the multi-SSA, depicted in the following figure for the centroids target definition (TD), financial incentives (FI) and fast (FDS) as well as slow decision speed (SDS).
In order to evaluate the perceived link between target definition and fast decision speed, overlapping typical constructs with both centroids are analyzed. As pointed out above, target definition consists of 56 typical constructs with a correlation coefficient of over 70 percent to the TD-centroid. As described in chapter 6.1 (‘The overall grid and the speed of strategic decision-making’), fast decision speed is characterized by 26 typical constructs. The area of intersection between the typical TD and FDS characterizations consists of 7 constructs, which are illustrated in the following. The construct area of intersection between a corporate involvement mean centroid and the fast decision speed centroid permits to draw conclusions on how the specific mean of corporate involvement at the SBU-level affects the speed of strategic decision-making. A first result from the analysis is the fact that all seven TD-FDS intersecting constructs are formerly included in the 15 FI-FDS intersecting constructs presented in the

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112 For the purpose of three-dimensional visualization, constructs depicted in this t.o.p.GRID multi-SSA represent the 339 constructs respondents associate with fast decision speed (FDS).

113 The number of typical constructs in the area of intersection between involvement centroid and fast decision speed centroid decreases with increasing distance between the centroids in the multi-SSA (t.o.p.GRID). This explains the drop from 15 constructs (FI-FDS) to seven intersecting constructs (TD-FDS).
previous subchapter. This implies that corporate managers defining strategic targets affect the organization and the speed of decision-making in a similar way than financial incentives. This high resemblance in the way decision speed is influenced, is visualized by the close proximity of FI and TD in the t.o.p.GRID multi-SSA. However, differences in the way FI and TD affect decision speed are also found. For example, the major difference lies in the fact that the aspect of trust is not represented in the area of intersection between TD and FDS as it is in the one for FI-FDS. Hence, respondents assume that the definition of targets is less dependent on trust than financial incentives. This corresponds to the respondents’ understanding that some form of preparative discussion, negotiation and bargaining takes place prior to the actual definition of targets. Hence, within the target definition process thorough social interactions substitute the importance of trust between corporate and SBU managers. The following list groups the seven overlapping TD-FDS constructs mentioned above into four main topical areas (a – d).

a.) **Clear-cut / transparently aligning / accomplishing clarity:** From the SBU’s perspective the definition of targets directs and channels managerial actions towards the achievement of specified corporate goals. SBU-targets defined on corporate managerial levels make explicit what managerial actions are required in order to achieve a pre-defined goal. This clarity leads to a synchronization and streamlining of SBU-behavior and hence forces an increase in the speed of strategic decision-making. This is illustrated in the following interview quotation:**114 “And then we receive the targets, which are broken down to our level. And the business development people – they also get their targets, which force them to come up with their contribution and to push it forward. As I said, if they [corporate managers] want to broadly push something through, over all business units, it is relatively difficult. Mostly you have to try and help the pioneering business unit and then transfer this back to the overall targets.”

b.) **Outcome-oriented / solution-oriented:** As stated above, the definition of targets speeds up decision-making processes since targets transparently provide ways and directions to act and achieve objectives. An orientation towards outcomes and solutions enhances this focus on decision speed further since it visualizes to employees what the objectives consist of as well as the reasons why they should be achieved. This legitimizes the corporate involvement at the SBU-level as well as
the objective itself and leads to a mutually coordinated, outcome-focused and hence fast mode of strategic decision-making. The following interview quotation illustrates this aspect: \textsuperscript{115} “We introduce what the actual new targets consist of. Do we have to modify anything? What are the new figures for the new fiscal year, etc.? For this we have a chart, which has on one page five or six targets written down. In our company, these include mainly the same figures: profits, revenue figures, what we want to develop qualitatively: Are we getting rid of anything? Are we acquiring anything new? It comes down to five or six targets, which are in turn entered into a very detailed and elaborate business plan.”

c.) Agreeing on targets: As stated above, the dissertation’s respondents assume that prior to the actual definition of targets, negotiations, bargaining, discussions and other forms of target-related interactions take place between corporate- and SBU-levels. Similar to the description of the corporate involvement mean financial incentives, the definition of targets is assumed to increase the speed of strategic decision-making since it creates consensus among corporate- and SBU managers and prevents inefficiencies and obstacles to block ongoing management processes. The following interview quotation illustrates the aspect of agreement and interaction within the process of target definition: \textsuperscript{116} “He is not just receiving targets and being told what to do, but he will have discussed and negotiated these targets with others. Since he is the head of the business unit, he will also be involved in next year’s target definition, and he will say: ‘I can offer this performance and my business unit has assured me that it will be able to provide this contribution. But in order to achieve this, I need the support of the personnel department by recruiting 200 additional employees next year: 50 consultant analysts, 40 experienced project managers, etc. This means, in order for him to achieve his goals, he also has to set conditions. These, the organization has to provide him with, so he can fulfill his commitment.’”

d.) Timely: The organizational effects of target definition are closely associated to employees striving for envisioned prospects and future objectives within a predefined period of time. Target definitions provide a sense of direction and a clear understanding of temporal matters in achieving these objectives. Thinking into the

\textsuperscript{114} Source: dissertation data; interview 2, line 342 – 348

\textsuperscript{115} Source: dissertation data; interview 4, line 353 – 361

\textsuperscript{116} Source: dissertation data; interview 1, line 1002 – 1010
future as well as having a present deadline on when to achieve certain management actions, speeds the decision-making process. The following quotation illustrates this aspect.117 “We have ambitious targets I mean it’s like telling myself: ‘next year, you could reach this and that financial target!’ And then I have to think: ‘if I go on with my operations the way I have so far, I probably won’t make it. So, I need to do something differently.’ This is how you install and push forward a creative process that makes people think about what they want to accomplish.”

The above paragraphs have described how respondents perceive the corporate involvement mean target definition and its impact on the speed of strategic decision-making. The analysis was carried out on the basis of the following three attribute areas describing the effects of corporate target definition within the dissertation’s research organizations. This corporate involvement mean affects the organization as follows: (1) targets align, structure and organize managerial processes. They lead to (2) involving employees by participation and care and they (3) provide objectives, prospects and future goals SBU employees can strive for. In order to analyze the link between the corporate involvement mean and fast decision speed, seven typical and overlapping constructs were observed, which are grouped around the following four construct areas: (a) Clear-cut, transparently aligning, accomplishing clarity, (b) outcome-oriented, solution-oriented, (c) agreeing on targets and (d) timely. These intersecting construct areas illustrate how the definition of targets by corporate management levels enhances the speed of strategic decision-making at the SBU-level. Thus, the perceived causal relation between target definition and fast decision speed is asserted as follows:

**In summary, the corporate involvement mean of target definition strongly enhances fast decision speed at the SBU for the following three reasons: (1) TD transparently aligns, structures and organizes managerial behavior. (2) TD motivates and involves managers in strategic decision-making processes through negotiations, interactions and reaching consensus and agreement. (3) TD provides outcome-oriented objectives and future goals, which encourage SBU managers to strive for fast managerial actions and timely decision-making efforts.**

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117 Source: dissertation data; interview 9, line 847 – 851
The dissertation’s respondents distinguish target definition as the second most closely associated centroid to fast decision speed. The high similarity in the respondents’ perception of financial incentives and target definition illustrates the fact that these two means of corporate involvement are closely interwoven within the companies of observation; i.e. financial incentive systems are often comprised of defined targets and vice versa. However, differences in the positioning of both centroids with regard to fast decision speed were also found. An example of this is the dissimilar importance associated to the existence of trust. Respondents explain this difference by pointing out that financial incentives are introduced in a more top-down manner leaving less freedom for negotiation and therefore more strongly emphasizing the relevance of trust. Due to increased negotiation, communication and interaction activities prior to the definition of targets, trust is less associated to target definition than it is to financial incentives. The definitions of targets and financial incentives represent effective influential means of corporate involvement since they both strongly enhance decision speed by integrating aspects of hierarchical control combined with elements of cooperative interaction. Directly neighboring to FI and TD in the multi-SSA is the centroid of corporate process involvement. CPI represents the third most closely associated centroid to fast decision speed and is dealt with in the following section.

6.2.3 Corporate process-related involvement

The dissertation’s inductively derived concept of corporate process-related involvement links to relevant topics in the strategic management literature. The dissertation’s concept of CPI consists of a strict set of procedural guidelines and tools provided by corporate managers, giving SBU managers a high degree of flexibility and autonomy with regard to content-related business decisions within the corporate-defined context. In the literature, the following authors deal with aspects of CPI. Vroom/Yetton (1973) emphasize that limited participation and centralized power increase the speed of decision-making. Hence, the authors advocate autocratic decision-making when speed is essential, since powerful leaders can make rapid, unilateral choices. With regard to CPI, this perspective assumes that SBU managers have a high degree of managerial flexibility and are simultaneously subject to tight corporate control such as e.g. procedurally required corporate approval decisions. March/Olsen (1976) argue that the involvement of many decision makers lengthens the decision process, which promotes a stronger separation between corporate and
SBU decision-making processes. This goes along the lines of CPI, since it implies a higher decentralization of content-related managerial activities (SBU) and a higher centralization of the actual choice, i.e. approval or denial process (corporate management). Staw/Sandelands/Dutton (1981) indicate that the centralization of power is the most natural response to highly uncertain situations like high-velocity environments. Similarly, Hickson/Wilson/Mallory/Butler (1986) state that when few executives are involved, a decision process can be rapid. From this perspective, centralized process and decentralized content quickens decision-making. Even though Eisenhardt’s data (1989a) indicates no pattern linking decision speed to either qualitative or quantitative indicators of power centralization, Wally/Baum (1994) argue that the centralization of process in the form of formalization funnels decision-making processes into routine- and rule-like behavioral patterns that impede executives’ ability to choose flexibly and thereby increase the SBU’s autonomy with regard to content-related decisions. The dissertation’s respondents conceptualize corporate process-related involvement as follows: ‘CPI represents binding, commonly applicable, mostly transparent and well documented means of corporate involvement at the SBU-level with regard to procedural aspects such as structures, systems, tools or know-how, which control and evaluate the outcome of SBU management activities and thereby provide SBU managers with a high degree of content-related freedom, autonomy and flexibility.’

The following quotation from a grounded theory interview portrays the dissertation’s notion of corporate process-related involvement:

“We have a centralized mission-vision booklet, which we really stick to - strictly top-down. And we also have guidelines in our QHB [quality handbook], in which a lot of procedures are documented. It includes a lot – for example our three underlying building blocks, which every new person starting in this company gets on their first day. In the first two hours when they enter the company, they receive a package with the corresponding documents. In these first two hours they are taught the three underlying building blocks that determine our success: products, processes and relationships which correspond to expertise, quality and social competence. These are the general guidelines, and we have our quality handbook, in which all processes are included in detail.”

118 Source: ATLAS.ti code- and memo-list concerning corporate process-related involvement
Results – individual links between corporate involvement and decision speed

Within the dissertation’s data set, corporate process-related involvement is associated with 336 t.o.p.GRID constructs, out of which 68 constructs have a correlation to the CPI-centroid of more than 70 percent (funnel-selection) and are therefore considered as typical. The high similarity in respondents’ perceptions of the CPI-centroid in comparison to the TD- and FI-centroid and their area of intersection respectively is illuminated by the existence of 40 typical CPI-constructs overlapping the typical TD-construct area. The overlapping CPI-TD-constructs as well as the remaining typical CPI-constructs support the three previously derived attribute areas: (1) ‘aligning, structuring, organizing’, (2) ‘participating, involving, caring’ and (3) ‘objectives, prospects, future goals’. The first attribute area is further supported by new typical CPI-constructs such as directing, rule-oriented, defining or institutionalized. The second attribute area is extended through constructs such as dialogue-oriented, encouraging commitment or trusting communication. The third attribute area dealing with objectives and future goals is broadened though constructs such as pushing forward, optimizing or performance-implementing. Due to the close correspondence between the three CPI and TD attribute areas, a thorough illustration of the individual attribute areas is disregarded in the following.

The above paragraphs have outlined corporate process-related involvement and its threefold general effects on organizational processes. The following three most closely associated constructs to the CPI-centroid have a correlation of more than 97 percent and strongly relate to the three attribute areas describing the organizational effects of CPI. The construct coordinating refers to the aspect of (1) ‘transparently aligning, structuring and organizing’. Agreeing refers to the aspect of (2) ‘participating, involving and caring’ and optimizing refers to the aspect of (3) ‘objectives, prospects and future goals’. By focusing on process-related matters, leaving ample autonomy for content-related SBU activities, the corporate involvement mean CPI closely goes along the dissertation’s notion of target definition and financial incentives. The close

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119 Source: dissertation data; interview 4, line 920 – 937
120 Out of 68 typical CPI constructs: 28 are overlapping the TD-FI area of intersection (41.2 percent) and 40 are overlapping the typical TD construct area (58.8 percent).
121 For a detailed illustration of the first two attribute areas (i.e. ‘aligning, structuring, organizing’ and ‘participating, involving, caring’), see: chapter 6.2.1 (‘Financial incentives’). For the third attribute area (‘objectives, prospects and future goals’), see: chapter 6.2.2 (‘Target definition’).
Results – individual links between corporate involvement and decision speed

Association between these three centroids illustrates the respondents’ perception of targets and financial incentives being process- rather than content-related. Process-related involvement is associated with corporate control and high SBU autonomy to independently carry out management activities, which in turn is associated with faster decision-making processes. As opposed to this notion of CPI, content-related involvement is perceived as interfering and restricting and hence is considered to limit the entrepreneurial opportunities as well as the speed of strategic decision-making. The following interview quotation illustrates the dissertation’s notion of corporate process-related involvement and its dichotomous characterization of providing entrepreneurial autonomy and opportunities while evaluating and controlling SBU-performance.

“Providing autonomy to business units is the key-influencing factor applied by corporate management. But you can’t have too much autonomy. You also need a process in place that controls the business unit and absorbs its friction. (…) Well, a lot of times people think the only thing that matters is providing autonomy but corporate managers have a double role – they have to ensure that things are balanced. Of course some people don’t like the corporate double role of autonomy and control and complain about it. But I think, gradually people are accepting it. (…) We really work very, very closely with systems and structures to better achieve this balance. And we will think more about formal processes to secure the balance we currently have despite the high autonomy we are providing.”

Within the t.o.p.GRID data set, CPI represents the third most closely associated centroid to fast decision speed. This similarity is visualized in the following multi-SSA for the centroids corporate process-related involvement (CPI), target definition (TD), financial incentives (FI) and fast (FDS) as well as slow decision speed (SDS).

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122 For a detailed elaboration of corporate content-related involvement, see: chapter 6.2.9 (Corporate content-related involvement’)

123 Source: dissertation data; interview 7, line 655 – 679
For an analysis of the link between corporate process-related involvement and fast decision speed, typical constructs overlapping both centroids are analyzed. Corporate process-related involvement consists of 68 typical constructs with a correlation of over 70 percent. As described in chapter 6.1 (‘The overall grid and the speed of strategic decision-making’), fast decision speed is characterized by 26 typical constructs. The area of intersection between the typical CPI and FDS characterizations consists of 5 constructs, which are illustrated in the following. The construct area of intersection between the centroids of corporate process-related involvement and fast decision speed allows drawing conclusions on how this involvement mean at the SBU-level is perceived to affect the speed of strategic decision-making. All five CPI-FDS intersecting constructs are formerly included in the FI-FDS or the TD-FDS area of intersection. This emphasizes the high perceived similarity between these means of corporate involvement, which is further illustrated by the close proximity of the CPI,

\[\text{CPI} = \text{corporate process-related involvement}\]
\[\text{FDS} = \text{fast decision speed}\]
\[\text{SDS} = \text{slow decision speed}\]

\[\text{Figure 6-5: Multi-SSA on corporate process-related involvement and decision speed}^{124}\]

\[\text{For the purpose of three-dimensional visualization, constructs depicted in this t.o.p.GRID multi-SSA represent the 339 constructs respondents associate with fast decision speed (FDS).}\]
TD and FI centroids in the multi-SSA. The following list groups the five overlapping CPI-FDS constructs mentioned above into three main topical areas (a – c).

a.) *Transparency aligning / accomplishing clarity:* Process-related involvement at the SBU-level consists of corporate-induced guidelines, systems, structures and tools, which provide corporate control, entrepreneurial flexibility and a common sense of orientation at the SBU-level. Clarity of organizational processes in combination with space for entrepreneurial opportunities and creativity causes SBU managers to independently synchronize managerial activities, which in turn enhances the speed of strategic decision-making. The following interview quotation illustrates this aspect of corporate process-related involvement: \(^{125}\) “The strategic freedom in our business areas is enormous. I think, that is one of the reasons why we are so successful. The more space you give your employees, the more you let them deal with entrepreneurial challenges, the more they will have their things under control and the better their solutions are going to be. Of course, you need some kind of corporate control - but we have that as well through our detailed performance systems and other corporate guidelines. It really comes down to the commitment of your employees. If they feel, they can change and influence something, they will make sure their processes are right and their performance will be superior.”

b.) *Outcome-oriented / solution-oriented:* Process-related as opposed to content-related corporate involvement focuses on procedural objectives and desired outcomes while leaving it up to the SBU employees to find ways to accomplish the underlying content matters for these objectives. The provided flexibility and space at the SBU-level creates the drive among SBU managers to autonomously organize as efficiently as possible in order to achieve the pre-defined outcomes. The following interview quotation illustrates this aspect: \(^ {126}\) “We have a lot of sophisticated procedures in place such as weekly conference calls or daily reporting. With these tools you really have a grip on what’s going on. And for each business unit, you have two annual board meetings, in which the head of the business area is also included. There, twice a year, the business units have to present a detailed report on the status of their accomplishments.”

c.) *Trusting:* Content-related autonomy in dealing with strategic managerial issues is perceived by SBU managers as a sign of trust and confidence in management.

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\(^{125}\) Source: dissertation data; interview 10, line 51 – 58
\(^{126}\) Source: dissertation data; interview 9, line 729 – 734
skills, knowledge and existing capabilities. Hence, content-related freedom within the controlling corporate process-related boundaries is associated with trust and subsequently leads to a higher motivation and commitment on behalf of the SBU employees. Trust in managerial relationships not only substitutes for necessary coordination activities but also activates managerial dedication that leads to an increase in the speed of decision-making. The following interview quotation illustrates the aspect of trust:127 “It takes diplomatic skills to interact and deal with these people in a trusting manner. For example, if the corporate-level wants something from the passenger side [i.e. the business unit]. If they haven’t built up trust – they won’t get a foot in the door. In this case, you really have to build up trust. That’s our job.”

The previous section has shown the respondents’ perceptions of corporate process-related involvement and its impact on the speed of strategic decision-making. The following three attribute areas describe the organizational effects of CPI on the research firms: (1) CPI aligns, structures and organizes managerial processes. (2) It leads to integration and participative involvement of employees and (3) it provides objectives, prospects and future goals for SBU employees. The link between corporate process-related involvement and fast decision speed is observed by focusing on five typical and overlapping constructs, which are grouped around the following three construct areas: (a) transparently aligning / accomplishing clarity, (b) outcome-oriented / solution-oriented and (c) trusting. These attribute areas elucidate the respondents’ understanding of how CPI enhances the speed of strategic decision-making at the SBU-level. The perceived causal relation between corporate process-related involvement and fast decision speed can be stated as follows:
In summary, corporate process-related involvement is perceived to strongly enhance fast decision speed at the SBU due to the following reasons: (1) CPI transparently aligns, structures and organizes managerial behavior. (2) CPI provides outcome-oriented procedural objectives and control mechanisms, encouraging SBU managers to autonomously synchronize and speed up required content-related management actions. (3) CPI motivates SBU managers in strategic decision-making processes by providing a suitable balance between trust and control, i.e. entrepreneurial autonomy versus process-related guidelines.

Corporate process-related involvement represents the third most closely associated centroid to fast decision speed. The high perceived similarity between CPI and the corporate involvement means FI and TD emphasizes the fact that respondents consider financial incentives and corporate-induced targets to be process- rather than content-related. Process-related involvement is closely associated with high content-related autonomy at the SBU-level, which in turn is closely associated to fast decision speed. In the dissertation’s research sites, CPI, TD and FI are commonly applied in conjunction, e.g. corporate management levels define process-related SBU-targets, which therefore represent a form of corporate process-related involvement. Financial incentives can also affect the organization in a CPI-way, i.e. corporate-induced financial incentives circumscribe process-related phenomena to be achieved and rewarded while providing employees with the managerial freedom to take whatever content-related actions necessary. CPI represents an influential, stand-alone corporate involvement mean, which strongly enhances the speed of strategic decision-making by incorporating aspects of corporate process-related control as well as SBU content-related autonomy. This aspect of CPI is illustrated in the following interview quotation:\textsuperscript{128}

“\textit{What I have learned from early on is that people on the next level down can only work and be creative if you give them space and also keep control over them. But the control mustn’t be too restricting. I guess that is really part of our corporate culture, not to restrict and limit too much. That has always been like that – at least for the last ten years.}”

\textsuperscript{128} Source: dissertation data; interview 9, line 562 – 566
In addition, CPI represents an overlying, comprehensive term generally encompassing the specific style of corporate involvement at the SBU-level described above. Within this cluster, directly neighboring to CPI in the multi-SSA is the centroid of HR- / career incentives. CI represents the fourth most closely associated centroid to fast decision speed and is focused on in the following section.

### 6.2.4 HR- / career incentives

The corporate involvement mean HR- / career incentives (CI) represents an essential research issue in the strategic management literature. Child (1972) suggests that managers make strategic choices, i.e. decisions regarding the goals, domains, technologies and structure of a firm. Bourgeois (1984) emphasizes that strategic decision-making should be viewed broadly to include not only variables normally associated with strategy such as e.g. domain selection but also those associated with the implementation thereof through e.g. incentive and reward systems.\(^{129}\) Hambrick/Mason (1984) propose that managerial aspirations and thus strategic decision-making varies considerably based on the existence of incentive systems. Hoskisson/Hitt/Hill (1989) find that differences in incentive schemes affect the criteria managers use to make strategic decisions. On the basis of ATLAS.ti code- and memo-lists, the following conceptualization of the corporate involvement mean HR- / career incentives can be given:

\[CI \text{ as a corporate involvement mean circumscribes HR- and career-related incentives which on the basis of pre-defined corporate guidelines, performance evaluations and analyses of SBU HR-potential recognize, reward, control and lead to increased entrepreneurial influence, hierarchical promotions, staff and leadership responsibilities and increased personal respect at the SBU-level.}\]  

The following grounded theory interview quotation portrays the dissertation’s notion of HR- / career incentives:\(^{130}\)

> “It is about knowing whether you have career opportunities in the company. If you know, you are 25 now and you don’t have to wait for another three years to get your next responsibility, but to know that you can be promoted within the next year. That’s an incentive. People work harder and end up performing better in a shorter period of time. You really don’t need more than that.”

\(^{129}\) Also see: Hitt/Tyler (1991)  
\(^{130}\) Source: dissertation data; interview 9, line 831 – 835
Within the dissertation’s t.o.p.GRID data, HR- / career incentives are associated with 346 constructs. Out of this group, 65 represent typical constructs due to their correlation to the CI-centroid of more than 70 percent (funnel-selection). In reference to the organizational effects, the dissertation’s respondents perceive HR- / career incentives as highly similar to the previous centroids described above. The perceived high similarity between the CI, CPI, TD and FI centroids becomes apparent in the congruence of 55 typical CPI-constructs overlapping the CI-construct area.\textsuperscript{131} The organizational effects of HR- / career incentives go along the lines of the three attribute areas derived before: (1) ‘aligning, structuring, organizing’, which is further supported by typical CI-constructs such as prioritizing or consistent, (2) ‘participating, involving, caring’ and (3) ‘objectives, prospects, future goals’, which is further built on through typical CI-constructs such as performance-oriented or personally achieving. Due to the high similarity between attribute areas and since a thorough description of the organizational effects of HR- / career incentives would be redundant to the preceding description of the attribute areas, it is omitted in the following section.\textsuperscript{132}

The above sections have depicted the corporate involvement mean HR- / career incentives and its threefold organizational effects. The following three constructs have a correlation of more than 96 percent to the CI-centroid and therefore represent the most closely associated and characterizing constructs to the CI-corporate involvement mean. The construct providing a sense of orientation refers to the aspect of (1) ‘transparently aligning, structuring and organizing’. Agreeing refers to the aspect of (2) ‘participating, involving and caring’ and pushing forward refers to the aspect of (3) ‘objectives, prospects and future goals’. HR- / career incentives provide a strong focus on transparency, involvement, performance and competition. CI is closely linked to corporate process-related involvement since most career incentives are linked to overall process- rather than business-specific, content-related issues. Career incentives stimulate and motivate SBU employees by offering entrepreneurial opportunities and

\textsuperscript{131} Out of 65 typical CI constructs: 24 are overlapping the CPI-TD-FI area of intersection (36.9 percent) and 55 are overlapping the typical CPI construct area (84.6 percent).

\textsuperscript{132} For a detailed illustration of the first two attribute areas (i.e. ‘aligning, structuring, organizing’ and ‘participating, involving, caring’), see: chapter 6.2.1 (‘Financial incentives’). For the third attribute area (‘objectives, prospects and future goals’), see: chapter 6.2.2 (‘Target definition’).
rewards for corporate-preferred behavior. As opposed to financial incentives, HR- / career incentives can be quantitative material as well as qualitative symbolic. The following interview quotation illustrates this aspect of HR- / career incentives:

“In this company you can get ahead and make a career much faster than in any other company I know – at least if I compare it to my friends in other companies. That’s a whole lot of an incentive-system. With this you don’t really need an additional financial stimulus. If you are good – you’ll be promoted. That’s it!”

CI represents the fourth most closely associated centroid to fast decision speed within the dissertation’s t.o.p.GRID data set. Respondents’ associations and perceptions are visualized in the following multi-SSA for the centroids HR- / career incentives (CI), corporate process-related involvement (CPI), target definition (TD), financial incentives (FI) and fast (FDS) as well as slow decision speed (SDS).

Figure 6-6: Multi-SSA on HR- / career incentives and decision speed

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133 Source: dissertation data; interview 9, line 822 – 826
134 For the purpose of three-dimensional visualization, constructs depicted in this t.o.p.GRID multi-SSA represent the 339 constructs respondents associate with fast decision speed (FDS).
In order to explore the link between the corporate involvement mean HR- / career incentives and fast decision speed at the SBU-level, typical constructs overlapping both centroids are analyzed. HR- / career incentives consist of 65 typical constructs with a correlation of over 70 percent. As described in chapter 6.1 (‘The overall grid and the speed of strategic decision-making’), fast decision speed is characterized by 26 typical constructs. The area of intersection between the typical CI and FDS centroid consists of 4 constructs, which are illustrated in the following. These four overlapping constructs allow evaluating how the CI involvement mean affects the SBU-level and how it is perceived to influence the speed of strategic decision-making. All four CI-FDS intersecting constructs are formerly included in the areas of intersection between the following means of corporate involvement FI, TD, CPI and the fast decision speed centroid. The high similarity between the previously described centroids, visualized by the close proximity in the multi-SSA, denotes that the dissertation’s respondents associate similar influential patterns of CI, CPI, TD and FI with regards to fast decision speed. Parallel to the intersecting CPI-FDS constructs, the four overlapping CI-FDS constructs are grouped according to the following three main attribute areas (a – c).

a.) Accomplishing clarity: HR- / career incentives accomplish clarity at the SBU-level by defining corporate-desired outcomes of SBU-behavior. Career incentives are perceived as transparent and commonly applicable to all managers at the SBU-level. This clarity of organizational processes in combination with entrepreneurial opportunities makes SBU employees strive for corporate goals according to their own appropriate way. This leads to higher efficiency of managerial actions at the SBU-level as well as high commitment towards achieving corporate goals, which in turn is associated with an enhanced speed of strategic decision-making. The following interview quotation illustrates this aspect of HR- / career incentives:135

“Another good example is our human resources development concept, which was developed according to standardized development steps. These are the development steps from the consultant analyst to the principal consultant combined with the three disciplines project management, product management and account management. Our business always consists of the same disciplines. (...) This was really important to us. We had to have some transparency in this respect

135 Source: dissertation data; interview 8, line 370 – 386
in order to clearly show different possible career and development paths. This is something so important.”

b.) Outcome-oriented / solution-oriented: Similar to CPI, career incentives concentrate on corporate-preferred outcomes while providing SBU employees with the content-related autonomy to accomplish them. Focusing on outcomes and solutions makes SBU managers strive for corporate-preferred objectives by adjusting their managerial behavior. These adjustments often go along with higher efficiency and a sense of accomplishment and motivation, which further enhances the speed of strategic decision-making at the SBU-level. The following interview quotation illustrates this aspect:136 “That has something to do with your general position in the company. If you are successful and outcome-oriented, you will move up [hierarchically], and you will automatically be given more responsibility and further tasks. If you are not successful, you won’t be able to keep your position for long. Basically, a business area manager, who is not successful, won’t stay very long in his job. Business area managers are really key positions in the company and if they don’t perform well – you really have a situation – it can even damage the overall firm outcome. The best, most efficient and most successful managers in the whole company are really at the business area level.”

c.) Trusting: By promoting SBU employees and allocating higher responsibilities and entrepreneurial challenges, HR- / career incentives provide a source for personal trust and respect. The speed of strategic decision-making is increased for the following two reasons. First, trusting managerial relationships require less control and coordination efforts than distrusting ones and thus, allow faster decision-making processes. Second, trust, more job responsibility and personal respect strengthen SBU employees’ confidence in their managerial actions and thereby motivate and stimulate them to strive for a high performance in a shorter period of time. The following interview quotation focuses on the aspect of trust with regard to the corporate involvement mean HR- / career incentives:137 “The greatest encouragement for them is to get promoted, to move ahead, to get more demanding tasks – generally to have more responsibility. For them, it’s not about financial incentives, but about knowing that I trust them to cope with more difficult tasks. By

136 Source: dissertation data; interview 9, line 540 – 549
137 Source: dissertation data; interview 10, line 65 – 69
The preceding sections have described how respondents perceive corporate-induced HR-/career incentives and their impact on the speed of strategic decision-making. The following three attribute areas describe the organizational effects of corporate HR-/career incentives within the dissertation’s research sample. Parallel to CPI, CI (1) align, structure and organize managerial processes. HR-/career incentives lead to (2) involved and participating employees and they (3) provide objectives, prospects and future goals SBU employees can strive for. The link between HR-/career incentives and fast decision speed was analyzed by focusing on four overlapping typical constructs, which are grouped around the following three construct areas: (a) accomplishing clarity, (b) outcome-oriented, solution-oriented and (c) trusting. These intersecting construct areas illustrate how CI is perceived to enhance the speed of strategic decision-making at the SBU-level. The perceived causality between HR-/career incentives and fast decision speed is summarized as follows:

In summary, HR-/career incentives are perceived to strongly enhance fast decision speed at the SBU due to the following reasons: (1) HR-/career incentives transparently align, structure and organize managerial behavior. (2) CI provides outcome-oriented objectives, encouraging SBU managers to strive for pre-defined goals in an efficient manner. (3) This corporate involvement mean provides trust to SBU managers in strategic decision-making processes by providing career opportunities, higher responsibilities and challenging tasks, thereby motivating and stimulating them to strive for efficient entrepreneurial behavior.

The corporate involvement mean HR-/career incentives represents the fourth most closely associated centroid to fast decision speed. With regard to the respondents’ perceptions, CI is highly associated to the previously described centroids CPI, TD and FI, which becomes apparent in the overlapping construct areas as well as in the visualization of the t.o.p.GRID multi-SSA. HR-/career incentives as well as the previously mentioned cluster of corporate involvement means are perceived to strongly enhance the speed of strategic decision-making at the SBU-level. The strong causality between this corporate involvement mean cluster and fast decision speed is rooted in the attribute areas comprising aspects of structuring, aligning, outcomes,
solutions and trust. The combination of these attribute areas allows integrating hard-fact aspects such as corporate control and organizational efficiency as well as soft issues such as corporate appreciation, SBU participation and motivation. Hence, HR- / career incentives as well as the three previously illustrated corporate involvement means represent effective influential means of corporate involvement at the SBU-level since they strongly enhance the speed of strategic decisions by integrating aspects of corporate control combined with elements of participative interaction. This high correlation between the CI, CPI, TD and FI centroid cluster to fast decision speed is supported by t.o.p.GRID’s globular analysis, which assumes that centroids within a 50 percent cross-section dimension of the three-dimensional t.o.p.GRID data area, are considered as having commensurate similarity to each other (Raeithel, 1991). The corporate involvement mean arenas for discourse (AD) represents the fifth furthest centroid to fast decision speed. As opposed to the centroid cluster described before, AD is not considered commensurately similar to FDS since it is not significantly associated to FDS. The following section illustrates this corporate involvement mean and its effects on the general organization as well as the speed of strategic decision-making at the SBU-level.

### 6.2.5 Arenas for discourse

In the strategic management literature, the corporate involvement mean arenas for discourse (AD) represents a research topic that is well elaborated from several perspectives. The concept of arenas for discourse in the literature is perceived to potentially enhance as well as inhibit the speed of strategic decision-making at the SBU-level. Corporate-induced arenas for discourse at the SBU-level provide a source of multiple decision alternatives as well as an extensive exchange of information between SBU employees. In this respect, Janis (1982) and Vroom/Yetton (1973) state that multiple alternatives are likely to slow the decision process down. Fredrickson/Mitchell (1984: 402) refer to this as “being exhaustive in the generation and evaluation of alternatives”. This perspective implies that the speed of strategic decisions is increased by the consideration of few alternatives and obtaining input from only few sources. In contrast, Anderson (1983) and Schwenk (1983) argue that multiple alternatives accelerate cognitive processing and thus increase decision-making speed. Eisenhardt (1989a) proposes that faster decision-making is associated with the simultaneous consideration of multiple alternatives and indicates that fast
decision-makers average two and half regularly scheduled meetings, i.e. arenas for discourse per week preferring communication via face-to-face rather than through time-delayed media devices. Arenas for discourse also provide the opportunity for the integration of decisions, which according to Eisenhardt (1989a) further enhances the speed of strategic decisions. Decision integration aids managers in analyzing the feasibility of alternatives more quickly. Eisenhardt’s propositions (1989a) are quantitatively corroborated by Judge/Miller (1991). In line with this argumentation, arenas for discourse permit the transfer of fine-grained information between employees, thereby according to Uzzi (1997) speeding data exchange and helping understand organizational methods so that decision making can be quickened. As can be seen from the literature, arenas for discourse are associated with fast as well as slow decision speed. The dissertation’s respondents conceptualize arenas for discourse as follows: ‘The corporate involvement mean arenas for discourse circumscribes platforms, meetings, formal and informal structures and other forms of corporate-induced managerial gatherings at the SBU-level which integrate and involve managers of varying functions and disciplines to socialize, network, consult, present, communicate, discuss and exchange various types of information and strategic alternatives for the purpose of reaching consensus, making strategic decisions and participative agreements on upcoming managerial issues.’

The following grounded theory interview quotation portrays the dissertation’s conceptualization of arenas for discourse and its differing perceived effects on the speed of organizational processes:

“I am talking about the organizational structure and style. For example, a lot of people say we have too little discussion in this company. And we say, alright let’s try to bring in a new culture and style of meetings. In the past, we have always said that this is inefficient and people just waste their time with babbling around. If you have someone, you work together with, just sit together and you will find a solution together. To sit together and think about how to make things fit – that wasn’t really essential in the past. Maybe that will become more and more important. For example, maybe we should create more strategic circles. But we are not fully sure yet. I really don’t know what we are going to have in three or four years.”

138 Source: ATLAS.ti code- and memo-list concerning arenas for discourse
According to t.o.p.GRID interview responses, the corporate involvement mean arenas for discourse is associated with 348 constructs out of which eleven represent typical constructs. These eleven typical constructs have a correlation to the AD-centroid of more than 70 percent (funnel-selection) and concentrate around the following two attribute areas illustrating the organizational effects of this corporate involvement mean: (1) the aspect of ‘bottom-up anarchy’ and (2) the aspect of ‘top-down determinism’.

The first characterizing attribute area (1) focuses on the unplanned and unconventional quality of the arenas for discourse corporate involvement mean. This characterization assumes that SBU managers are brought together to freely interact in a randomly emerging and creative manner. Participants of this discourse are socially oriented and aim for mutually developing consensus. With regard to this perspective, arenas for discourse enable managers to share information, prepare for consensus, mutually develop strategic topics and make well-founded strategic decisions on the basis of the participants’ opinions and interactions. This notion of arenas for discourse is expressed by constructs such as chaotic, holistically well founded, socially oriented, defusing, consensus-oriented and momentum. The following interview quotation illustrates the aspect of bottom-up anarchy of the corporate involvement mean arenas for discourse:140

“Of course, in the meeting there are a lot of other things that come up. The most innovative things are the ones that are most fuzzy. These topics just pop up and later you have to facilitate this innovation a little bit. For example, e-business in general is not innovative anymore. However, some aspects of it are and these just come out of the meetings. They literally emerge within the meeting. People talk about the general trends and then go into detail. Sometimes, it really just comes down to one idea. For that purpose, we even fly in crazy nutcases. Then, it goes click at the meeting and we turn that idea into something. You just have to go with the flow of the meeting. You just have to plant an idea and then take your time. That is the most important thing – to just stick with the flow.”

139 Source: dissertation data; interview 7, line 684 – 693
140 Source: dissertation data; interview 2, line 1069 – 1080
The second characterization of arenas for discourse (2) deals with the structuring, determining and planning side of this corporate involvement mean. This characterization assumes that corporate managers are able to deliberately provide a communication platform for SBU managers who then according to almost ‘mechanistical’ patterns engage in the required exchange of information on corporately defined management issues. This notion of arenas for discourse is expressed by constructs such as defined, deterministic, instrumentalized or channeling. From this standpoint, arenas for discourse are considered as deterministic systems with corporate-induced communication platforms (arenas) as input and planned communication and decision-making (discourse) as outcome. This notion of arenas for discourse is described in the following interview quotation:

“Our business plan is very detailed concerning our customers and our strategic positioning. This leads to very intensive discussions in our business plan meetings. We have only started recently to structure them more formally. Before that it had been really informal – we said: ‘why bother with formal meetings if everything is running smooth?’ But now, we have reached a size, where we need some structure. That’s why there are now quarterly meetings, where we ask about our current situation and whether or not we have to intervene or simply ask more questions.”

The above section has described the corporate involvement mean arenas for discourse and its twofold organizational effects, i.e. (1) the aspect of bottom-up anarchy and (2) the aspect of top-down determinism. These two characterizing attribute areas, in turn link to the t.o.p.GRID constructs most highly correlated to the AD-centroid. Within t.o.p.GRID, the following two constructs have a correlation coefficient of over 90 percent to the centroid arenas for discourse: (1) defusing, which refers to the bottom-up anarchy attribute area and (2) deterministic, which refers to the top-down determinism attribute area. In summary, the characteristics of the corporate involvement mean arenas for discourse and its organizational effects are best encapsulated through the aspects outlined above.

141 Source: dissertation data; interview 7, line 324 – 332
As mentioned at the beginning of this chapter, respondents do not significantly associate the corporate involvement mean arenas for discourse to fast decision speed. However, out of the dissertation’s nine observed corporate involvement means, AD represents the fifth closest centroid to FDS, which is visualized in the following multi-SSA for the centroids arenas for discourse (AD), HR- / career incentives (CI), corporate process-related involvement (CPI), target definition (TD), financial incentives (FI) and fast (FDS) as well as slow decision speed (SDS).

Figure 6-7: Multi-SSA on arenas for discourse and decision speed

According to the t.o.p.GRID globular analysis, centroids within a 50 percent cross-section dimension of the three-dimensional t.o.p.GRID data area can be considered as being commensurately similar to each other (Raeithel, 1991). Hence, a commensurate similarity to the FDS centroid is attained for the centroids: FI, TD, CPI as well as CI. Due to the limitations of depicting a three-dimensional t.o.p.GRID space on a two-dimensional medium, the corporate involvement mean arenas for discourse appears similarly close and associated to fast decision speed as the previous cluster of corporate involvement means. However, within the t.o.p.GRID globular analysis the

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142 For a three-dimensional visualization, constructs depicted in this t.o.p.GRID multi-SSA represent the 339 constructs respondents associate with fast decision speed (FDS).
cross-section dimension has to be increased to 87 percent in order to comprise the AD- as well as the FDS-centroid. Thus, the corporate involvement mean arenas for discourse does not meet the requirements of commensurate similarity to the FDS-centroid (Raeithel, 1991). With regard to the respondents’ perceptions, this implies that arenas for discourse are not significantly associated with enhancing decision speed at the SBU-level. The considerable distance of the AD-centroid to the FDS-centroid becomes more apparent when rotating the multi-SSA depicted above by 90 degrees around the Y-axis. Furthermore as stated in chapter 5.2 (‘The dissertation’s work process of t.o.p.GRID – linking corporate involvement and decision speed’), the AD-centroid constitutes t.o.p.GRID’s Y- and Z-axes by providing the highest negative primary components respectively.\(^{143}\) The following figure illustrates the above-depicted multi-SSA horizontally rotated by 90 degrees in order to demonstrate the considerable distance between the AD- and FDS-centroids along the Z-axis.

\(^{143}\) Y-axis: highest positive value: coercive enforcement (+3.027) – highest negative value: arenas for discourse (-0.605); Z-axis: highest positive value: coercive enforcement (+1.520) – highest negative value: arenas for discourse (-2.585).
The fact that commensurate similarity is not attained between arenas for discourse and fast decision speed is further emphasized by the lack of overlapping typical constructs between the two centroids. This entails that there is no area of intersection between the eleven typical constructs associated with the AD-centroid and the 26 typical constructs associated with FDS. Despite the lack of significant perceived causality between AD and FDS in the dissertation’s t.o.p.GRID data material, respondents draw qualitative assumptions on possible enhancing effects of AD on the speed of strategic decision-making, which are depicted in the following interview quotation.

“We have weekly conference calls within the business areas and between all business unit heads. Once a week they discuss their markets and their treasury

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144 For the purpose of three-dimensional visualization, constructs depicted in this t.o.p.GRID multi-SSA represent the 339 constructs respondents associate with fast decision speed (FDS).

145 For a description of the 26 typical FDS-constructs, see: chapter 6.1 (‘The overall grid and the speed of strategic decision-making’).

146 Source: dissertation data; interview 9, line 714 – 722
center and why things work well or why they don’t. There is a lot of general information exchanged between all sorts of people. These meetings are pretty strong input factors, defining very short time periods and ensuring that things don’t get out of hand. And of course, the head of the business area is the one who is held responsible if things don’t go as well as they should. In our department, we are really used to things happening fast and also to having to react fast.”

In spite of this interview excerpt advocating a more positive link between arenas for discourse and fast decision speed the vast majority of respondents substantiates the t.o.p.GRID result derived above, i.e. that the corporate involvement mean arenas for discourse is not significantly associated with fast decision speed. In light of this conception, respondents assume that involving a high number of participants within arenas for discourse leads to speed-inhibiting political behavior and other inefficiencies, thereby associating arenas for discourse with slow rather than fast decision speed, which is illustrated by the following interview quotation.147 However, the dissertation’s t.o.p.GRID data material neither corroborates a significant association between AD and FDS nor between AD and SDS. This becomes apparent when considering the results of t.o.p.GRID’s globular analysis: the AD-centroid is only within the 87 percent cross-section dimension of FDS and only within the 104 percent cross-section dimension of SDS.

“And we realized: you cannot discuss strategy with 24 people involved. You can skip that right away. Nothing is going to come out of that: everybody wants to speak. Everybody has to make an ‘important’ contribution and it’s just not efficient. Just think about how many of your employees it would take to change your company’s direction. These are the ones we are going to select. What do they respond? ‘No, you can’t do that. This person is going to feel offended and then he won’t talk to me anymore!’ So, it really takes a lot of courage.”

The preceding sections have described how respondents perceive the corporate involvement mean arenas for discourse. The following two attribute areas describe the organizational effects of corporate-induced arenas for discourse within the dissertation’s research sample. (1) Bottom-up anarchy: arenas for discourse provide

147 Source: dissertation data; interview 6, line 344 – 351
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communication platforms allowing participants to creatively communicate in a holistically founded, socially and consensus-oriented way. (2) Top-down determinism: arenas for discourse are considered as corporate-defined instruments to channel and direct communication flows among SBU managers leading to corporate-preferred outcomes. The link between arenas for discourse and fast decision speed was analyzed by focusing on t.o.p.GRID’s globular analysis, which showed no commensurate similarity and no significantly associated causality. Even though grounded theory interview quotations could be retrieved referring arenas for discourse to fast as well as slow decision speed, within t.o.p.GRID no significant similarity and association was detected between the AD-centroid and the FDS- as well as SDS-centroids. In line with this result was the absence of overlapping typical constructs between AD and FDS. The corporate involvement mean arenas for discourse is summarized as follows:

In summary, the dissertation’s respondents do not significantly associate arenas for discourse to fast or slow decision speed. Due to high cross-section dimensions, no commensurate similarity between arenas for discourse and decision speed (FDS/SDS) is attained. Even though individual interview quotations are found referring AD to fast and slow decision speed, no overlapping typical constructs are retrieved and therefore no significant causality can be established between this corporate involvement mean and decision speed. Arenas for discourse are perceived to have the following twofold organizational effects: (1) AD provide bottom-up anarchic communication platforms, where SBU managers can freely exchange information and mutually develop ideas. (2) AD represent top-down determined, instrumentalized and channeled gatherings where participants communicate over pre-defined topics in order to achieve corporate-preferred outcomes.

The corporate involvement mean arenas for discourse represents the fifth closest centroid to fast decision speed. Corporate coercive enforcement (CE) represents the sixth furthest associated centroid to fast decision speed according to distance within the t.o.p.GRID area. Parallel to AD, CE is neither significantly associated to FDS nor to SDS respectively. The following section illustrates this corporate involvement mean and its perceived effects on the general organization as well as the speed of strategic decision-making.
6.2.6 Coercive enforcement

The corporate involvement mean coercive enforcement and the corporate employment of centralized power are widely discussed in the literature realm of strategic decision-making. Corporate coercive enforcement is linked to the notion of political behavior, which with Allison (1971) has been recognized as an aspect of organizational decision-making. Hickson/Wilson/Cray/Mallory/Butler (1986) tie the political dimension of decision-making to individuals having differences in interests resulting from functional, hierarchical, professional and personal factors. Pettigrew (1973, 1992b) states that organizational members try to influence the outcomes of decisions by a variety of political techniques so that their own interests are served. Corporate coercive enforcement as a form of ‘forcing’ can represent such a political technique of corporate involvement. Bryson/Bromiley (1993: 329) describe ‘forcing’ as a situation “when managers are not particularly interested in learning how others perceive problems and solutions, or what alternative approaches and potential outcomes others might offer, i.e. they are mainly interested in getting their way”.

Allen/Madison/Porter/Renwick/Mayes (1979: 77) define politics as “intentional acts of influence to enhance or protect the self-interest of individuals or groups”. This definition goes along Pfeffer’s conception of politics (1981: 7) as “activities taken to use power or other resources to obtain one’s preferred outcomes in a situation in which there is uncertainty or dissensus about choices”, which again parallels the definition of Bacharach/Lawler (1980: 79) identifying politics as “efforts of interest groups to influence decisions that affect their positions in the organization”. In the dissertation, corporate management levels represent such interest groups, coercively influencing the decision-making activities of SBU managers. Mintzberg/Raisinghani/Theoret (1976) assert the link between political factors and the pace of strategic decisions. Vroom/Yetton (1973) advocate that decision-making processes are more rapid when power is centralized, decision-making is autocratic and only few executives are involved in the decision-making process. Evidently, the corporate involvement mean coercive enforcement goes along with centralized corporate power, a smaller number of executives involved and a rather autocratic style of decision-making. Wally/Baum (1994) refer centralization to the concentration of


149 For the link between political behavior and decision-making effectiveness, see: Dean/Sharfman (1996)
authority or decision-making power in a firm.\textsuperscript{150} They reason that the more centralized an organization is the less authority is delegated by top executives. They further state that autocratic decision-makers seem to make faster decisions in part because they rely less on consultation. However, Eisenhardt’s data (1989a) indicates no pattern linking decision speed to either qualitative or quantitative indicators of power centralization, i.e. in her data some autocratic managers are fast and others are slow. In the dissertation ‘the corporate involvement mean coercive enforcement circumscribes top and corporate managerial levels with centralized authority and hierarchical power positions coercively influencing managers at hierarchically lower levels by clearly dictating, determining and enforcing corporate-required outcomes in a top-down manner, leaving little or no room for discussion, autonomy and managerial freedom at the SBU-level and aiming for full adaptation by SBU managers.’\textsuperscript{151} The following quotation from one of the dissertation’s grounded theory interviews describes this corporate involvement mean of coercive enforcement:\textsuperscript{152}

“Especially at the beginning, when we had to turn the company around, we couldn’t sit down and talk with each individual department to ask them could you do this and do that. It simply had to be done. We carried it out by order – dictatorial. Period! The ‘lawn mower’ method! And afterwards, of course the question came up: ‘was it fair?’ – ‘was it right?’ But in a situation like that it proved successful, even though unfair situations occurred here and there. But to steer such a huge tanker like us in a situation like that while asking your department can you do this or do that, is simply impossible. We probably did the right thing.”

Within the dissertation’s t.o.p.GRID data, the corporate involvement mean of coercive enforcement is associated with 361 constructs. Out of these 361 constructs, 14 represent typical constructs due to their correlation to the CE-centroid of more than 70 percent (funnel-selection). The 14 typical CE-constructs concentrate around the following two attribute areas illustrating the perceived organizational effects of this corporate involvement mean: (1) the aspect of ‘authoritarian control’ (corporate

\textsuperscript{150} For an analysis of the concept of authority, also see: Gephart/Boje/Rosile/Thomas/Craig (2000)

\textsuperscript{151} Source: ATLAS.ti code- and memo-list concerning corporate coercive enforcement.

\textsuperscript{152} Source: dissertation data; interview 5, line 422 – 429
management) and (2) the aspect of ‘overpowering, uncreative adaptation’ (strategic business unit).

The first characterization of the corporate involvement mean coercive enforcement (1) focuses on the authoritarian and command-like style of corporate managerial behavior towards managers at the SBU-level. This notion assumes that corporate managers deliberately seek to interfere and control the behavior of SBU managers by cutting short discussions and interactions among SBU managers and by directly commanding and dictating corporate-preferred behavior. According to this perspective, corporate managers hypothetically assume that the required time of decision-making is reduced by omitting SBU-efforts to consult and coordinate their actions. This characterization of coercive enforcement is expressed by constructs such as authoritarian, intruding, controlling, without lengthy discussions, directing or commanding. The following interview quotation illustrates this understanding of the corporate involvement mean coercive enforcement:\textsuperscript{153}

\begin{quote}
\textit{It’s the executive board that gives us the directives. Then, the executive board signs it off and declares: ‘this is the end of the negotiation and these are the results. Now, you [i.e. SBU managers] have to deliver and carry it out!’}
\end{quote}

The second characterizing attribute area (2) focuses on the SBU managers and their perception of the corporate involvement mean coercive enforcement. The aspect of ‘overpowering, uncreative adaptation’ refers to the lack of managerial freedom and autonomy for members of the SBU-level with regard to interactions and strategic decision-making. This characterization describes the uncreative and demotivating effects of authoritarian and politically charged corporate interferences at the SBU-level. From this perspective, individuals feel discouraged and thwarted by the lack of autonomous interaction and managerial choice. The notion of coercive enforcement is expressed by constructs such as demotivating, emotionally political, without orientation, micro-political, superficial or uncreative. The following interview quotation illustrates the aspect of overpowering uncreative adaptation of corporate coercive enforcement:\textsuperscript{154}

\begin{flushright}
\textsuperscript{153} Source: dissertation data; interview 8, line 470 – 473
\textsuperscript{154} Source: dissertation data; interview 4, line 394 – 398
\end{flushright}
“He [i.e. the corporate manager] says to us: ‘come on – get it done! What else do you want?’ And of course, this creates tasks for us, which primarily result in adaptation on our side. He simply provides orders we have to follow and we can just say ‘we’re trying to do our job as professionally as we can, but if we can’t convince him – we don’t have another choice but to just carry it out.’

The above paragraphs have described the corporate involvement mean coercive enforcement and its twofold perceived effects on the dissertation’s research organizations, i.e. (1) the aspect of authoritarian control (corporate management) and (2) the aspect of overpowering, uncreative adaptation (strategic business unit). These two characterizing attribute areas go in line with the following two t.o.p.GRID constructs having a correlation coefficient of over 90 percent to the CE-centroid: (1) directing and commanding, which refer to the authoritarian control attribute area and (2) uncreative, which refers to the adaptation attribute area on behalf of the strategic business unit. The two attribute areas outlined above as well as the two most highly correlated t.o.p.GRID constructs best summarize the characteristics of the corporate involvement mean coercive enforcement and its organizational effects.

Within the multi-SSA, which is depicted in the following, the coercive enforcement centroid represents the sixth closest centroid to FDS. However, according to the t.o.p.GRID globular analysis the cross-section dimension of the CE-centroid within the three-dimensional SSA-area, has to be increased to 93 percent in order to comprise the CE- as well as the FDS-centroid and to 103 percent to comprise the CE- as well as the SDS-centroid. This result signifies that the dissertation’s respondents do not significantly associate coercive enforcement to decision speed. Hence, no commensurate similarity can be attained between the corporate involvement mean coercive enforcement and the speed of strategic decision-making at the SBU-level. The multi-SSA below portrays the following six corporate involvement means previously illustrated in the order of perceived similarity to fast decision speed (FDS): financial incentives (FI), target definition (TD), corporate process-related involvement (CPI), HR- / career incentives (CI), arenas for discourse (AD) and coercive enforcement (CE). As visualized in the following multi-SSA, the CE-centroid
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constitutes t.o.p.GRID’s Y- and Z-axes by providing the highest positive primary components respectively.¹⁵⁵

![Multi-SSA on coercive enforcement and decision speed](image)

Figure 6-9: Multi-SSA on coercive enforcement and decision speed¹⁵⁶

Parallel to the corporate involvement mean arenas for discourse, the lack of commensurate similarity between coercive enforcement and fast decision speed is further emphasized by the nonexistence of an area of intersection between the 14 typical constructs associated to the CE-centroid and the 26 typical constructs associated with FDS.¹⁵⁷ This entails that there are no overlapping typical constructs between the two centroids. General, qualitative assumptions of differing organizational effects of CE by the respondents can be presented, despite the lack of significant perceived causality between CE and FDS in the dissertation’s t.o.p.GRID

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¹⁵⁵ See: chapter 5.2 (‘The dissertation’s work process of t.o.p.GRID – linking corporate involvement and decision speed’): Y-axis: highest positive value: coercive enforcement (+3.027) – highest negative value: arenas for discourse (-0.605); Z-axis: highest positive value: coercive enforcement (+1.520) – highest negative value: arenas for discourse (-2.585).

¹⁵⁶ For the purpose of three-dimensional visualization, constructs depicted in this t.o.p.GRID multi-SSA represent the 339 constructs respondents associate with fast decision speed (FDS).

¹⁵⁷ For a description of the 26 typical FDS-constructs, see: chapter 6.1 (‘The overall grid and the speed of strategic decision-making’).
data material. The following interview quotation advocates positive organizational effects of centralized corporate power and coercive enforcement.\textsuperscript{158}

“Altogether, if I consider our situation from the perspective global versus local or centralized versus decentralized, I have to say that we’re on the right track, even though we still got a long way to go. I think it’s very obvious that we have to further centralize things in the future. I really support that, even though there are of course individual cases where I am not that happy with it. But altogether, I believe that it’s better to centralize most things.”

In spite of this interview excerpt advocating a positive link between coercive enforcement and efficient organizational processes, the majority of respondents confirm the t.o.p.GRID result derived above, i.e. coercive enforcement is not significantly associated with fast decision speed. In light of this conception, respondents assume that the overpowering and demotivating effects of CE lead to speed-inhibiting political behavior and other inefficiencies, which slow the pace of strategic decision-making at the SBU-level. This empirical notion goes in line with the argumentation of Hickson/Wilson/Cray/Mallory/Butler (1986) who found in a sample of British organizations that political resistance by influential people is a leading cause of delay in making strategic decisions. The following interview quotation highlights this perspective of the corporate involvement mean coercive enforcement in the dissertation.\textsuperscript{159}

“As I said before, employees need trust and credibility from their superiors. Sometimes, we people at the holding-level think that we can make our organization faster by simply telling them what they must or must not do. What we often forget while doing that, is that we upset our employees by taking away their chances to influence the company. This results in frustrations and sometimes even political resistance, which blocks the implementation of the initial idea altogether or at least makes it incredibly tedious.”

In summary, the dissertation’s t.o.p.GRID data material neither corroborates a significant association between CE and FDS nor between CE and SDS. The above paragraphs have described how different the dissertation’s respondents perceive the

\textsuperscript{158} Source: dissertation data; interview 4, line 532 – 537

\textsuperscript{159} Source: dissertation data; interview 10, line 77 – 83
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corporate involvement mean coercive enforcement (CE). The following two attribute areas describe the organizational effects of CE within the dissertation’s research sample. (1) Authoritarian control: corporate management levels dictatorially direct and command managerial actions at the SBU-level seeking to infiltrate and implement corporate-preferred outcomes at the SBU-level without engaging in lengthy interactions and discussions. (2) Overpowering, uncreative adaptation: SBU employees perceive politically charged corporate coercive enforcement activities as constraining and demotivating, resulting in dissatisfaction and even political resistance, in turn slowing and inhibiting decision-making processes. According to the t.o.p.GRID’s globular analysis, no commensurate similarity and no significantly associated causality between coercive enforcement and fast decision speed is observed. Even though excerpts from grounded theory interview quotations agree as well as disagree with corporate coercive enforcement enhancing decision speed, within t.o.p.GRID no significant similarities and associations are detected between the CE-centroid and the FDS- as well as SDS-centroids. This result is further supported by the nonexistence of overlapping typical constructs between CE and FDS. The corporate involvement mean coercive enforcement is summarized as follows:

In summary, the dissertation’s respondents do not significantly associate coercive enforcement to fast or slow decision speed. Due to high cross-section dimensions, no commensurate similarity between coercive enforcement and decision speed (FDS/SDS) is attained. Even though individual interview quotations can be found referring CE to efficient as well as inefficient organizational processes, no overlapping typical constructs are retrieved and therefore no significant causality is established between this corporate involvement mean and decision speed. Corporate coercive enforcement is perceived to have the following twofold organizational effects: (1) CE actions represent corporate interferences at the SBU-level, directly commanding and controlling corporate-preferred outcomes without tolerating consultation or discussions on behalf of the SBU managers involved. (2) CE results in overpowering and demotivating SBU managers by forcing them to adapt pre-defined corporate procedures and actions and restraining them from autonomously influencing the company.

The corporate involvement mean coercive enforcement represents the sixth closest centroid to fast decision speed within the t.o.p.GRID area and is directly neighboring
to the corporate involvement mean sanctioning (SN), which represents the seventh furthest centroid to fast decision speed within the dissertation’s t.o.p.GRID data. Analogous to CE, SN is neither significantly associated to FDS nor to SDS. The following subchapter illustrates this corporate involvement mean and its perceived organizational effects.

6.2.7 Sanctioning

The corporate involvement mean sanctioning (SN) is commonly discussed in the literature realm of strategic management and decision-making. Parallel to the corporate involvement mean arenas for discourse, sanctioning is commonly associated with the centralization of authority (Miller/Dröge/Toulouse, 1988). Fredrickson (1986) proposes that as the level of centralization increases, so does the probability that strategic decision processes are initiated only by the dominant few and that they are the result of proactive, opportunity seeking behavior. Dean/Sharfman (1996) assert that people in organizations try to influence the outcomes of decisions by using a variety of political techniques, so that their own interests are served. Miller (1987a) states that applying authority according to formal hierarchy and implementing standards and formal procedures to simplify and stabilize tasks are efficient means of reducing uncertainty and making processes more efficient. Gephart/Boje/Rosile/Thomas/Craig (2000) refer to authority as the established right to command and the duty to obey and propose that legal-rational authority and social control are means to achieve performance objectives. According to Kono (1990), sanctioning systems represent important factors for corporate cultural and change management issues. Morris (1995) states that sanctioning is a mean of corporate screening and certifying SBU management actions. Sanctioning is generally perceived as a mean of managerial control and is therefore often considered as the opposite of trust in managerial relations (Hagen/Choe, 1998; Lazega, 2000). The corporate involvement mean sanctioning can also be linked to the procedural justice theory which according to Korsgrad/Schweiger/Sapienza (1995) distinguishes between control over a decision outcome and control over the decision process. Procedural justice particularly focuses on the meaning of involvement in decision-making and the influence over a decision, which refers to the extent to which the members’ input is reflected in the final decision (Thibaut/Walker, 1975). Hence, the concept of sanctioning is considered from a multitude of perspectives within the strategic
management literature. According to the dissertation’s data material, respondents conceptualize sanctioning as follows: ‘The involvement mean sanctioning circumscribes corporate managers assessing SBU managerial behavior, employing hierarchical power and taking interceptive, authoritative actions against SBU managers for not or unsatisfactorily fulfilling pre-defined financial targets, performance figures or other types of corporate-induced SBU-tasks, by immediately exerting verbal pressure, relocating managers and functional positions, controlling content-related SBU-activities, deducting financial benefits and taking other forms of penalizing actions going as far as the outplacing of underperforming SBU employees.’\(^{160}\) The following quotation from a grounded theory interview portrays the dissertation’s notion of the corporate involvement mean sanctioning:\(^{161}\)

“Let’s start at the top – between the holding company and the subsidiary. Generally the holding company as a 100 percent shareholder gives out specific financial target figures to the subsidiary companies, which they have to achieve. The people at the holding-level would say: ‘we are giving you these financial figures and we want you to achieve them!’ This includes hurdle rates, etc. all defined by the corporate management. They say: ‘these are the figures you have to achieve. If you don’t, you destroy corporate value and we will consider immediate measures.’

The dissertation’s t.o.pGRID data provides 357 associated constructs regarding the corporate involvement mean sanctioning. Twelve out of these 357 constructs represent typical constructs due to their correlation to the SN-centroid of more than 70 percent (funnel-selection). The twelve typical SN-constructs concentrate around the following two attribute areas illustrating the perceived organizational effects of this corporate involvement mean: (1) the aspect of ‘distant control’ and (2) the aspect of ‘overpowering, uncreative adaptation’. The latter attribute area goes in line with the formerly outlined attribute area of coercive enforcement, which is due to the highly perceived similarity between coercive enforcement and sanctioning. The high number of overlapping typical constructs for both centroids also emphasizes the eminent similarity between SN and CE. Six out of the twelve typical SN-constructs intersect

\(^{160}\) Source: ATLAS.ti code- and memo-list concerning the corporate involvement mean sanctioning
\(^{161}\) Source: dissertation data; interview 6, line 46 – 52
with the typical CE-construct area; and five out of the six intersecting constructs corroborate the attribute area ‘overpowering, uncreative adaptation’. Furthermore, due to both centroids being in a 21 percent cross-section dimension according to t.o.pGRID’s globular analysis, a commensurate similarity between the corporate involvement means coercive enforcement and sanctioning is attained.

The first characterization of the corporate involvement mean sanctioning (1) focuses on the aspect of distant control. As opposed to the CE-attribute area ‘authoritarian control’ the attribute area ‘distant control’ is not comprised of constructs such as interfering, authoritarian or dictating. However, since the dissertation’s concept of sanctioning implies pre-defined, corporate-induced targets that are not or only unsatisfactorily complied with, the involvement at the SBU-level on behalf of corporate managers is more dissociated from the SBU and hence, less interfering. The notion of distant control assumes that corporate managers define tasks to be achieved by SBU managers and deliberately take actions if these tasks are not fulfilled, i.e. if the agreement between the SBU and the corporate management is broken. This characterization of sanctioning is expressed by constructs such as distant, dissociated from the SBU, without lengthy discussions or dissonance. The following interview quotation illustrates this understanding of the corporate involvement mean sanctioning:  

“*Our company is steered and coordinated through financial targets and directives. (...) And within the budgeting process these figures are broken down to each department and each head of department. And, if you don’t achieve these targets, there will be a deduction in your salary – variable performance-related remuneration.*”

Parallel to coercive enforcement, the second characterizing attribute area (2) focuses on the aspect of ‘overpowering, uncreative adaptation’ and refers to the corporate removal of managerial freedom for members of the SBU-level with regard to autonomous managerial actions. This characterization describes the micro-politically driven and demotivating effects of corporate sanctioning at the SBU-level. From this perspective, individuals feel overpowered and made insecure and dependent on the

162 Source: dissertation data; interview 5, line 396 – 400
corporate sanctioning action. Hence in light of the respondents’ perceptions, sanctioning is perceived to transfer back and centralize the decision-making power to the corporate management levels. The notion of sanctioning is expressed by constructs such as demotivating, emotionally political, micro-politically driven, superficial, uncreative, reliant, insecure or shifting decisions. The following interview quotation illustrates the aspect of overpowering uncreative adaptation of corporate sanctioning:

“If we are after something and we really want to have it done, then we are very unforgiving. It just has to be done – period! Then we analyze and evaluate it again, and if it is still not properly carried out, I get fairly impatient. I can get really angry and then these people need good reasons to explain why it couldn’t be done.”

The above sections have described the corporate involvement mean sanctioning and its twofold perceived effects on the dissertation’s research organizations, i.e. (1) the aspect of ‘distant control’ and (2) the aspect of ‘overpowering, uncreative adaptation’. The prevalence of the latter attribute area is further emphasized by the t.o.p.GRID construct superficial representing the only construct having a correlation coefficient of over 90 percent to the SN-centroid. Within the multi-SSA, which is depicted in the following, sanctioning represents the centroid seventh furthest away from the FDS-centroid. However, according to the t.o.p.GRID globular analysis the cross-section dimension of the SN-centroid within the three-dimensional SSA-area, has to be increased to 95 percent in order to comprise the SN- as well as the FDS-centroid and to 89 percent to comprise the SN- as well as the SDS-centroid. Both results with regards to cross-section dimension percentages do not support commensurate similarity between sanctioning and fast as well as slow decision speed. This result signifies that the dissertation’s respondents do not closely associate sanctioning with decision speed. The multi-SSA depicted below portrays the following seven corporate involvement means in the order of perceived similarity to fast decision speed (FDS): financial incentives (FI), target definition (TD), corporate process-related involvement (CPI), HR- / career incentives (CI), arenas for discourse (AD), coercive enforcement (CE) and sanctioning (SN).

163 Source: dissertation data; interview 4, line 1011 – 1015
In congruence with the two preceding corporate involvement means AD and CE, the lack of commensurate similarity between sanctioning and fast decision speed is further emphasized by the nonexistence of an area of intersection between the twelve typical constructs associated with the SN-centroid and the 26 typical constructs associated with FDS.  

This implies that there are no overlapping typical constructs between the two centroids. In contrary, most qualitative assumptions stated by the respondents on the organizational effects of sanctioning promote the slowing of decision speed rather than the speeding up. This perception of sanctioning enhancing slow decision speed is represented in the following interview quotation. However, according to t.o.p.GRID’s globular analysis, a commensurate similarity between SN and SDS is not attained. Correspondingly, no overlapping typical constructs between SN and SDS are retrieved. As stated above, the following interview quotation advocates a slowing of

\[164\] For the purpose of three-dimensional visualization, constructs depicted in this t.o.p.GRID multi-SSA represent the 339 constructs respondents associate with fast decision speed (FDS).

\[165\] For a description of the 26 typical FDS-constructs, see: chapter 6.1 (‘The overall grid and the speed of strategic decision-making’).
the speed of strategic decision-making through the corporate involvement mean sanctioning. 166

“Well, normally employees do not appreciate reprimands or sanctions, even though they can also be advantageous, e.g. by enforcing and keeping fairness. But I think generally, sanctions are perceived as punishments, which publicly display and embarrass the evildoers including their mistakes and failures in front of the other employees. Of course, they don’t feel necessarily motivated through that. Sometimes this might even lead to general frustrations and increased barriers, which in turn leads to further impediments.”

The above paragraphs have described how the dissertation’s respondents perceive the corporate involvement mean sanctioning (SN). In summary, the dissertation’s t.o.p.GRID data material does neither support a significant association between SN and FDS nor between SN and SDS. The following two attribute areas describe the organizational effects of SN within the dissertation’s research sample. (1) Distant control: corporate managers provide pre-defined tasks to be achieved by SBU managers and exert control over the achievement of these corporate-preferred tasks by sanctioning SBU-behavior if tasks are not or only unsatisfactorily fulfilled. (2) Overpowering, uncreative adaptation: subordinate employees perceive corporate sanctioning as demotivating, resulting in insecurity and dissatisfaction, which in turn can lead to an inhibition of the decision-making process. According to t.o.p.GRID’s globular analysis, neither commensurate similarity nor significant associated causality between sanctioning and fast decision speed can be experienced. Quotations from grounded theory interviews tend to promote a positive link between corporate sanctioning and slow decision speed. However, within t.o.p.GRID no significant similarity is detected between SN and SDS. This result is further supported by the nonexistence of overlapping typical constructs between SN and SDS. The corporate involvement mean sanctioning is summarized as follows:

166 Source: dissertation data; interview 10, line 91 – 97
In summary, the dissertation’s respondents do not significantly associate sanctioning to fast or slow decision speed. Due to high cross-section dimensions, no commensurate similarity between sanctioning and decision speed (FDS/SDS) is attained. Even though, individual interview quotations can be found referring SN to inefficient organizational processes and hence slow decision speed, no overlapping typical constructs can be observed. In the main, no significant causality is established between this corporate involvement mean and decision speed. Corporate sanctioning is perceived to have the following twofold organizational effects: (1) SN represents distant corporate control efforts at the SBU-level in order to restrain the non-fulfillment of corporate-SBU-agreements and aiming for the achievement of corporate-preferred outcomes. (2) SN results in an atmosphere of frustration and demotivation of subordinate managers by corporate managers publicly penalizing the non- or unsatisfactory fulfillment of corporate defined tasks, forcing SBU managers to adapt corporate-preferred outcomes and procedures.

Sanctioning as a corporate involvement mean represents the seventh closest centroid to fast decision speed within the t.o.p.GRID area. The high perceived similarity between SN and CE emphasizes the fact that respondents consider both corporate involvement means to be applied in conjunction, e.g. corporate sanctioning can be carried out coercively, SN thereby representing a CE involvement. Vice versa, corporate coercive enforcements can go along with the use of sanctions. Thus, CE and SN can be considered a corporate involvement mean cluster, frequently intertwined and combined as well as similarly affecting the organization involved. Corporate conflict resolution (CR) represents the eighth furthest centroid to fast decision speed within the dissertation’s t.o.p.GRID data. In line with AD, CE and SN, conflict resolution is neither significantly associated to FDS nor to SDS. The following subchapter illustrates this corporate involvement mean and its perceived organizational effects.

6.2.8 Conflict resolution

In the strategic management literature, the corporate involvement mean conflict resolution (CR) is a well-elaborated research topic. Inevitably, conflict resolution requires the existence of (resolvable) conflict at the SBU-level. Mayer (1967) confirms the existence of group conflicts by noting that disagreement in groups can be an asset
or a liability. Janis/Mann (1979) link the level of conflict to group cohesion and propose that cohesive groups reach decisions that are inferior to less cohesive groups. Eisenhardt/Zbaracki (1992) state that the complexity of the problem and the conflict among the decision makers often influence the shape of the decision path. Ouchi/Price (1983) refer conflict resolution to the quality of decisions by implying that good decision-making is the product of a heterogeneous group that deliberates until disagreements are resolved. Coman (1996) refers to the involvement of upper managerial levels by defining expert resolution as the dealing with conflicts within groups. Several authors in the literature argue that conflict influences the length of a decision process. Mintzberg/Rasinghani/Theoret (1976) state that limited conflict speeds decisions. The argument behind this is that conflict creates interruptions in the decision process, which then slow the pace of decision-making. For example, the above authors (1976) find that decision interruptions delayed the decision process in a study of 25 major decisions. Wally/Baum (1994) expect that organizations with concentrated power produce faster strategic decisions because when few people are involved in a decision-making process, little conflict occurs, in turn reducing needs for information sharing and consensus seeking. From this perspective, increasing conflict slows the pace of strategic decisions. Similarly, research conducted by Hickson/Wilson/Cray/Mallory/Butler (1986) finds that conflict in the form of opposition, especially of powerful factions, slows the pace of decision-making in a study of British organizations. In contrary, Eisenhardt’s data (1989a) indicates no pattern linking decision speed to either the general level of conflict within a team or conflict on the decision studied. However, Eisenhardt (1989a) concludes that conflict resolution is crucial. According to her data, fast teams have an active way of dealing with conflict resolution. In contrast, conflict resolution is problematic for teams making slow decisions, which tend to delay their decision-making process until external events force a choice. Hence, Eisenhardt’s findings (1989a) indicate that conflict resolution is critical to decision speed, but conflict per se is not. According to Eisenhardt (1989a) it can also be argued that an active, i.e. corporately induced way of conflict resolution is superior to a passive one, i.e. one where external events eliminate competing alternatives and thus forcefully require the making of a decision. Eisenhardt (1989a: 562) explicitly refers to the involvement of corporate management levels by stating “if consensus is not forthcoming, the CEO and, often, the relevant VP make the choice, guided by input from the management team.” Montoya-Weiss/Massey/Song
(2001) extend the research on conflict resolution and decision speed to the dimension of team decision quality. The authors (2001) find that conflict management behavior divided into five modes (Rahim, 1983, 1992) is a crucial factor for team performance. Furthermore, Montoya-Weiss/Massey/Song (2001) state that temporal coordination mechanisms defined as process structures to intervene and direct the pattern, timing and content of communication in a group (McGrath, 1991), have significant moderating effects in team decision-making. The dissertation’s corporate involvement mean conflict resolution can be regarded as such a temporal coordination mechanism affecting in combination with the SBU’s conflict management behavior, the pace of strategic decision-making. The dissertation’s respondents conceptualize conflict resolution as follows. ‘The involvement mean conflict resolution circumscribes the way in which corporate managers get involved at the SBU-level as catalysts, filters and ultimate decision authorities in situations of dispute, friction, dissensus and disagreement by resolving conflicts, settling resistance and generating solutions by means of communication, integration or hierarchical dictation.’\textsuperscript{167} The following grounded theory interview quotation portrays the dissertation’s conceptualization of conflict resolution as a mean of corporate involvement at the SBU-level:\textsuperscript{168}

“This shows the attempt to tie together the different business lines and the holding has the final authority over all business lines. If there is any kind of conflict – for example managers saying: ‘But I want to have this client!’ – so for example a conflict over a customer, then the managers at the holding-level are the ones who ultimately make the decision. In our case, this would be the CEO or the COO and we also have another strategic function within the corporate center.”

According to t.o.p.GRID interview responses, the corporate involvement mean conflict resolution is associated with 373 constructs out of which ten represent typical constructs. These ten typical constructs have a correlation to the CR-centroid of more than 70 percent (t.o.p.GRID funnel-selection) and concentrate around the following two attribute areas illustrating the organizational effects of this corporate involvement

\textsuperscript{167} Source: ATLAS.ti code- and memo-list concerning corporate conflict resolution
\textsuperscript{168} Source: dissertation data; interview 7, line 192 – 199
mean: (1) the aspect of ‘centralized, external control’ and (2) the aspect of ‘reciprocal, involving communication’.

Centralized, external control as the first characterizing attribute area (1) deals with the control side of this corporate involvement mean. This characterization assumes that corporate managers centrally control the SBU by externally influencing and resolving existing SBU-conflicts in congruence with corporate-preferred outcomes and targets. This notion of conflict resolution is expressed by constructs such as exogenously controlled, performance-oriented, centrally controlled, coordinated or target congruent. According to this perspective, conflict resolution is considered as a governing corporate intervention at the SBU-level, which seeks to resolve conflicts, reduce frictions and interruptions and thereby leads to an efficient and corporate-preferred SBU-behavior. This notion of conflict resolution is described in the following interview quotation:169

“The head of the segment [i.e. corporate management] has overlaying responsibilities with regard to the business areas, the segment but also the whole company. It’s his responsibility that the coordination between the business areas is generally working. He has to make sure that there is not too much friction and that employees are not conflicting with each other. He facilitates and coordinates the whole thing and he holds the ultimate decision power.”

Reciprocal, involving communication, as the second characterization of conflict resolution (2) focuses on corporate involvement relying on consultation and communication with SBU managers for the resolution of conflicts. As opposed to the above aspect of control, this attribute area assumes that by means of two-way communication corporate management levels resolve existing conflicts with the involvement and support of SBU managers. Conflicts are resolved on the basis of mutually considering the overall strategic picture including the perspectives of various stakeholders involved. This notion of conflict resolution is expressed by constructs such as involving, together, communicative, qualitative, strategic big picture or unstructured. The following interview quotation illustrates the aspect of reciprocal,

169 Source: dissertation data; interview 9, line 283 – 290
involving communication with regard to the corporate involvement mean conflict resolution:  

“If something within our organization is happening and not going right, then I am like a filter. I have to consider how it might affect other employees and then I try to steer them all towards one direction, so that we are all on the same track. How do we do that? For example we inform employees about how a certain relaunch is to be carried out. Then we ask them to provide the required services and then we check whether people are actually doing it or not. (…) You see, there are topics that affect the whole group and the role of the corporate management is to act as a catalyst, creating links and ties between the ones involved.”

The above paragraphs have described the corporate involvement mean conflict resolution and its twofold organizational effects, i.e. (1) the aspect of centralized, external control and (2) the aspect of reciprocal, involving communication. These two characterizing attribute areas, in turn link to the following two t.o.p.GRID constructs, which represent the most highly correlated constructs to the CR-centroid, with a correlation coefficient of over 90 percent: (1) exogenously controlled, which refers to the centralized, external control attribute area and (2) unstructured, which refers to the reciprocal, involving communication attribute area. In summary, the characteristics of the corporate involvement mean conflict resolution and its organizational effects can be best encapsulated through the two attribute areas outlined above. Within the multi-SSA, which is depicted in the following, conflict resolution represents the centroid eighth furthest away from the FDS-centroid. According to the t.o.p.GRID globular analysis the cross-section dimension of the CR-centroid within the three-dimensional SSA-area, has to be increased to 98 percent in order to comprise the CR- as well as the FDS-centroid and to 86 percent to comprise the CR- as well as the SDS-centroid. Hence, no commensurate similarity between conflict resolution and fast as well as slow decision speed is attained. Generally speaking, the dissertation’s respondents do not closely associate conflict resolution with decision speed. The multi-SSA depicted below portrays the following eight corporate involvement means in the order of perceived similarity to fast decision speed (FDS): financial incentives (FI), target

170 Source: dissertation data; interview 7, line 296 – 304
Results – individual links between corporate involvement and decision speed

definition (TD), corporate process-related involvement (CPI), HR-/career incentives (CI), arenas for discourse (AD), coercive enforcement (CE), sanctioning (SN) and conflict resolution (CR).

![Diagram showing the relationship between conflict resolution (CR) and decision speed (FDS), with SDS = slow decision speed and FDS = fast decision speed.]

Figure 6-11: Multi-SSA on conflict resolution and decision speed

Due to the limitations of depicting the three-dimensional t.o.p.GRID space in the two-dimensional figure above, the corporate involvement mean conflict resolution appears more closely associated to fast decision speed than e.g. the CE or SN-centroids. However as stated above, within the t.o.p.GRID globular analysis the cross-section dimension has to be increased to 98 percent in order to comprise the CR- as well as the FDS-centroid and to 86 percent for the CR- and SDS-centroids. The considerable distance of the CR-centroid to the FDS-centroid along the Z-axis becomes more apparent when rotating the multi-SSA depicted above by 90 degrees around the Y-axis. The following figure illustrates the above-depicted multi-SSA horizontally rotated by 90 degrees in order to demonstrate the considerable distance between the CR- and FDS-centroids along the Z-axis.

171 For a three-dimensional visualization, constructs depicted in this t.o.p.GRID multi-SSA represent the 339 constructs respondents associate with fast decision speed (FDS).
The fact that commensurate similarity is not attained between conflict resolution and fast decision speed is further emphasized by the lack of overlapping typical constructs between the two centroids. This entails that there is no area of intersection between the ten typical constructs associated to the CR-centroid and the 26 typical constructs associated with FDS. Despite the lack of significant perceived causality between CR and FDS in the dissertation’s t.o.p.GRID data material, interview quotations can be derived suggesting enhancing as well as inhibiting effects of CR on the speed of strategic decision-making. The following interview quotation exemplifies one of the respondents’ perceptions associating a positive link between CR and FDS.

"Generally, if a conflict starts damaging the ongoing business, then corporate managers intervene, which is done comparatively fast. Most of the times they..."

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172 For the purpose of three-dimensional visualization, constructs depicted in this t.o.p.GRID multi-SSA represent the 339 constructs respondents associate with fast decision speed (FDS).

173 For a description of the 26 typical FDS-constructs, see: chapter 6.1 (‘The overall grid and the speed of strategic decision-making’)

174 Source: dissertation data; interview 10, line 105 – 110
Results – individual links between corporate involvement and decision speed

just decree a specific resolution to the conflict – one, that best suits their needs and the needs of the whole company. This way people don’t get a chance to babble around that much and less time is wasted. In addition, the corporate-level mostly has a good overview of what is strategically important for the whole company.”

In spite of the above interview excerpt advocating a positive link between corporate conflict resolution and fast organizational decision-making, other respondents come to a different conclusion. By assuming that corporate conflict resolution deprives SBU managers from their managerial flexibility and autonomy, their entrepreneurial commitment is reduced, which in turn decreases the SBU managers’ motivation to make independent and fast strategic decisions. This conception of the corporate involvement mean conflict resolution goes in line with the demotivating effects of coercive enforcement, illustrated in chapter 6.2.6 (‘Coercive enforcement’). As stated before, neither of the respondents’ qualitative assumptions linking conflict resolution to decision speed can be quantitatively corroborated according to the t.o.p.GRID globular analysis, which resulted in no perceived commensurate similarity between CR and FDS/SDS. The following interview quotation describes the possible negative effects of corporate conflict resolution by reiterating the quotation from the paragraphs on coercive enforcement:175

“As I said before, employees need trust and credibility from their superiors. Sometimes, we people at the holding-level think that we can make our organization faster by simply telling them what they must or must not do. What we often forget while doing that is that we upset our employees by taking away their chances to influence the company. This results in frustrations and sometimes even political resistance, which blocks the implementation of the initial idea altogether or at least makes it incredibly tedious.”

The preceding sections have described how respondents perceive the corporate involvement mean conflict resolution (CR). The following two attribute areas describe the organizational effects of conflict resolution within the dissertation’s research sample. (1) Centralized, external control: conflict resolution is a mean of corporate involvement at the SBU-level, which reduces conflict-related frictions and

175 Source: dissertation data; interview 10, line 77 – 83
interruptions by externally controlling and resolving existing SBU-conflicts in congruence with corporate-preferred outcomes and targets. (2) Reciprocal, involving communication: rather than focusing on control as means of conflict resolution, this perspective concentrates on the involvement and integration of SBU employees by corporate managers in the process of conflict resolution. In light of this perspective, SBU employees provide valuable insights and thereby assist corporate managers in mutually settling the conflict. The link between conflict resolution and fast decision speed was analyzed by focusing on t.o.p.GRID’s globular analysis, which resulted in no commensurate similarity and no significantly associated causality. Even though grounded theory interview quotations could be retrieved referring corporate conflict resolution to fast as well as slow decision speed, within t.o.p.GRID no significant similarity and association is detected between the CR-centroid and the FDS- as well as SDS-centroids. In line with this result is the absence of overlapping typical constructs between CR and FDS/SDS. The corporate involvement mean conflict resolution is summarized as follows:

In summary, the dissertation’s respondents do not significantly associate corporate conflict resolution to fast or slow decision speed. Due to high cross-section dimensions, no commensurate similarity between conflict resolution and decision speed (FDS/SDS) is attained. Even though individual interview quotations can be retrieved referring CR to fast and slow decision speed, no overlapping typical constructs are retrieved and therefore no significant causality can be established between this corporate involvement mean and decision speed. Corporate conflict resolution is perceived to have the following twofold organizational effects: (1) CR represents external corporate control efforts at the SBU-level providing corporate-defined solutions for existing SBU-conflicts and is aimed at reducing frictions and interruptions in the ongoing management process. (2) CR induced by corporate managers also integrates and involves SBU employees on the basis of reciprocal communication, which leads to a more founded and mutually developed resolution of conflicts.

The corporate involvement mean conflict resolution represents the eighth closest centroid to fast decision speed. The subsequent involvement mean corporate content-related involvement (CCI) represents the ninth furthest centroid to fast decision speed according to distance within the t.o.p.GRID area. Parallel to AD, CE, SN and CR,
corporate content-related involvement is not significantly associated to FDS. The following section illustrates this corporate involvement mean and its perceived effects on the organization as well as the speed of strategic decision-making.

6.2.9 Corporate content-related involvement

The dissertation’s inductively derived concept of corporate content-related involvement links to relevant topics in the strategic management literature. CCI consists of content-related corporate interventions at the SBU-level strongly restraining the managerial flexibility and autonomy of SBU managers with regard to content-related business decisions. Hence, CCI represents the opposite of the concept of CPI, which implies centralized corporate procedural guidelines and decentralized content-related autonomy at the SBU-level. Content-related involvement by corporate managers frequently goes along with centralized corporate power over content-related issues. In the literature, the following authors deal with aspects of CCI. Vroom/Yetton (1973) emphasize that centralized power increases the speed of decision-making and thus advocate autocratic decision-making. According to their view, powerful corporate leaders can make rapid, unilateral decisions and thereby reduce managerial resistance and frictions at the SBU-level. In reference to CCI, this notion presumes that SBU managers have little managerial flexibility and are subject to firm corporate control. March/Olsen (1976) argue that involvement of many decision makers lengthens the decision process. The dissertation’s notion of corporate content-related involvement has varying effects on the number of decision-makers. CCI solely applied as an autocratic and dictatorial involvement mean, leads to a decreased number of decision-makers, since corporate managers take charge of SBU decision-making and hence fully substitute SBU management. On the other hand, CCI applied as a supplementing and supporting mean of involvement, i.e. corporate managers controlling and assisting SBU managers in the making of strategic decisions, generally increases the number of decision-makers. In the dissertation’s data material, CCI is associated with a combination of both styles of involvement, i.e. corporate managers autocratically intervene in SBU-activities however, without substituting SBU managers. Hence, this perspective implies a strong centralization of content-related managerial activities and a centralization of the actual choice, i.e. decision-making process at the corporate management level. Hickson/Wilson/Mallory/Butler (1986) propose that a more centralized decision-making process, i.e. one where fewer managers are involved,
appears to be more rapid. However, Eisenhardt (1989a) indicates no pattern linking decision speed to either qualitative or quantitative indicators of power centralization. The dissertation’s mean of corporate content-related involvement comprises aspects of centralized autocratic decision-making as well as infiltrating a high number of employees at the SBU-level. The dissertation’s respondents conceptualize corporate content-related involvement as follows: ‘CCI circumscribes binding, individually applied and mostly undocumented and opaque corporate actions of intervention, impetus, command, hierarchical control and compulsion with regard to content-related aspects at the SBU-level such as operations, responsibilities, problems, risks and troubles, targets, tasks or directives, resulting in a decrease of content-related autonomy and managerial flexibility and thereby aiming for a complete adaptation of corporate-induced strategic contents at the SBU-level’. The following quotation from a grounded theory interview portrays the dissertation’s notion of corporate content-related involvement:

“It has eventually something to do with the risk side of it. If somebody doesn’t have the upper hand over a situation – they immediately get involved. He [the corporate manager] analyzes the situation, and if he feels that the local manager doesn’t have things under control, he instantaneously goes in and gets involved. (...) These are really exceptions though; otherwise it wouldn’t be necessary for him to go in and otherwise the head of the business area would take care of it and that would be more of a coaching activity.”

According to t.o.pGRID interview responses, corporate content-related involvement is associated with 337 constructs out of which 42 represent typical constructs. These 42 typical constructs have a correlation to the CCI-centroid of more than 70 percent (t.o.pGRID funnel-selection) and concentrate around the following three attribute areas illustrating the organizational effects of this corporate involvement mean: (1) the aspect of ‘autocratic, patronizing control’, (2) the aspect of ‘opaque inscrutability’ of CCI-actions and (3) the aspect of ‘distrust and reduced managerial autonomy’ at the SBU-level.

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176 Source: dissertation data; interview 9, line 771 – 787
The first characterization of corporate content-related involvement (1) focuses on the autocratic and patronizing style of corporate managerial behavior towards managers at the SBU-level. This notion assumes that corporate managers deliberately seek to interfere in content-related matters of hierarchically lower levels and to centrally control or even override the behavior of SBU managers by authoritatively dictating content-related outcomes such as the management of specific customer relationships or the delineation of required product specifications. By directly commanding or autonomously establishing content-related outcomes, corporate managers seek to minimize risks, solve existing problems, reduce inefficient interactions among SBU managers or overrule SBU-resistance in order to achieve corporate political goals. According to this perspective, the underlying motivation for corporate managers lies in a mechanistical understanding of corporate autocratic input behavior and submissive and adaptive SBU output behavior. The corresponding perception of the dissertation’s SBU managers differs considerably from this view. As also stated in the third attribute area (‘distrust and reduced managerial autonomy’), SBU-respondents state their view as feeling severely controlled, patronized, reprehended and politically isolated by this type of autocratic corporate behavior. This characterization of corporate content-related involvement is expressed among others by constructs such as autocratic, bossy, patronizing, controlling, dictating, scolding, political, compulsory, centralistic or reprehensive. The following interview quotation illustrates this understanding of corporate content-related involvement:177

“From the corporate point of view: if I realize, that one of the units has a process in place, which is inconsistent and lacks sufficient structure, then I put in a corporate manager. (...) This is not necessarily a reprimand on the basis of content-related involvement, but from a positive perspective: almost support – as if we said: ‘we think, we should closely keep an eye on this for the sake of the company.’ You can always express it one way or another.”

The second characterizing attribute area of corporate content-related involvement (2) focuses on the opaque character and for SBU managers often unanticipated occurrence of this corporate involvement mean. As opposed to CPI, which is mainly considered as transparent and well-documented, respondents perceive corporate content-related

177 Source: dissertation data; interview 6, line 326 – 334
Results – individual links between corporate involvement and decision speed

involvement as obscured, opaque and sometimes random. In contrary to CPI, which is based on clear-cut procedural guidelines and commonly applicable rules, CCI rests on a multitude of rather individual motivations, ranging from political tactics via power constellations to operational and content-related necessities. This makes CCI-actions appear less transparent, anticipatable and therefore more incomprehensible for managers at the SBU-level. The notion of corporate content-related involvement is expressed among others by constructs such as blurry, diffuse, emotionally covert, opaque, not quantifiable, obscure or random. The following interview quotation illustrates the aspect of opaque inscrutability of corporate content-related involvement:178

“We really are strongly patronized – like leading-strings! We are forced to carry out things that we don’t enjoy and that don’t go along with our normal proceedings. That’s the negative side about it.”

The third characterizing attribute area (3) focuses on the aspect of ‘distrust and reduced managerial autonomy’ at the SBU-level and refers to the limitation and restraint of managerial freedom for members of the SBU-level by corporate managers. This characterization describes the perceived inhibiting, obstructing and demotivating effects of corporate content-related involvement at the SBU-level. From this perspective, SBU employees feel distrusted and made insecure by CCI-actions. Hence, corporate content-related involvement is perceived to centralize the decision-making power at the corporate management level. Constructs such as hindering, obstructing, negative connotation, no self-initiative, confined, inhibiting, tedious, distrustful, reliant, creating insecurity, delaying or disturbing, express this notion of CCI. The following interview quotation demonstrates the aspect of ‘distrust and reduced managerial autonomy’ at the SBU-level:179

“We are currently shifting from a totally country-specific and cooperative style of leadership to a more corporate center oriented type of leadership. But you can only perform well, and there is only credibility, mutual tolerance and trust, if you’re not constantly put under pressure. (…) We are really in the middle of

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178 Source: dissertation data; interview 4, line 373 – 375
179 Source: dissertation data; interview 4, line 705 – 716
Results – individual links between corporate involvement and decision speed

a huge shift: right now I would say we are five to ten percent corporate and 90 percent local but the corporate part will go up to at least 30 percent.”

The above sections have described corporate content-related involvement and its threefold perceived effects on the dissertation’s research organizations, i.e. (1) the aspect of ‘autocratic, patronizing control’, (2) the aspect of ‘opaque inscrutability’ of CCI-actions and (3) the aspect of ‘distrust and reduced managerial autonomy’ at the SBU-level. All three attribute areas are further emphasized by eleven highly typical t.o.p.GRID constructs with a correlation coefficient to the CCI-centroid of more than 90 percent. The first attribute area of ‘autocratic, patronizing control’ is most strongly supported by the following four constructs, which all have a correlation coefficient of over 97 percent to the CCI-centroid: intruding, scolding, controlling and compulsory. The second attribute area of ‘opaque inscrutability’ is substantiated by the following two highly correlated constructs: not quantifiable and obscure. The third attribute area ‘distrust and reduced managerial autonomy’ is corroborated by the following four strongly associated constructs: distrusting, creating insecurity, reactive and negative connotation. Within the multi-SSA, which is depicted in the following, CCI represents the corporate involvement mean furthest away from the FDS-centroid. According to the t.o.p.GRID globular analysis the cross-section dimension of the CCI-centroid within the three-dimensional SSA-area, has to be increased to 118 percent in order to comprise the CCI as well as the FDS-centroid and to only 53 percent to comprise the CCI as well as the SDS-centroid. This result according to the cross-section dimension percentage does not support commensurate similarity between CCI and fast or slow decision speed. Even though, commensurate similarity requiring 50 percent cross-section dimension is neither attained with regard to FDS nor SDS, the low cross-section dimension of 53 percent between CCI and SDS, signifies a perceived similarity between corporate content-related involvement and a slow pace of decision-making at the SBU-level. Therefore, these results signify that the dissertation’s respondents moderately associate CCI with SDS and, do not closely associate CCI with FDS. The multi-SSA depicted below portrays all nine corporate involvement means analyzed in the order of perceived similarity to fast decision speed (FDS): financial incentives (FI), target definition (TD), corporate process-related involvement (CPI), HR- / career incentives (CI), arenas for discourse (AD), coercive enforcement
Results – individual links between corporate involvement and decision speed

(CE) and sanctioning (SN), conflict resolution (CR) and corporate content-related involvement (CCI).

![Diagram of corporate content-related involvement and decision speed](image)

Figure 6-13: Multi-SSA on corporate content-related involvement and decision speed

The lack of commensurate similarity according to t.o.p.GRID’s globular analysis between corporate content-related involvement and fast/slow decision speed is further emphasized by the absence of overlapping typical constructs between the CCI-centroid and the FDS-/SDS-centroids. This implies that the 42 typical constructs associated with the CCI-centroid neither have an area of intersection with the 26 typical FDS-constructs nor with the 33 typical SDS-constructs. Due to the perceived considerable difference between corporate content-related involvement and fast decision speed, no interview quotations can be derived, suggesting enhancing effects of CCI on the speed of strategic decision-making. By contrast, multiple interview quotations can be presented describing the inhibiting effects of CCI on the speed of strategic decision-making. Evidently, these quotations qualitatively corroborate the moderate similarity

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180 For the purpose of three-dimensional visualization, constructs depicted in this t.o.p.GRID multi-SSA represent the 339 constructs respondents associate with fast decision speed (FDS).

181 For a description of typical constructs of FDS and SDS, see: chapter 6.1 (‘The overall grid and the speed of strategic decision-making’).
between CCI and SDS retrieved in t.o.p.GRID’s globular analysis. The following interview quotation describes the general respondents’ perception of corporate content-related involvement and the close association to slow decision speed: 182

“Sometimes, they are told exactly what to do. That means they are told not only what is generally expected from them, but they receive specific orders on how to do their business. This can even affect the color of their presentation or the unit price of a specific product to be sold. A lot of people don’t appreciate this type of corporate control because they feel shut out and held back. You have to be really careful not to discourage your employees, otherwise resistance builds up and processes become inefficient.”

The preceding sections have described how respondents perceive corporate content-related involvement (CCI). The following three attribute areas describe the organizational effects of corporate content-related involvement within the dissertation’s research sample. (1) Autocratic, patronizing control: corporate managers seek to achieve corporate-preferred outcomes by autocratically commanding or independently establishing content-related outcomes at the SBU-level, partly including the coercive overriding of existing SBU-authorities. (2) Opaque inscrutability of CCI-actions: SBU managers perceive corporate-content related interventions as less transparent and more incomprehensible than process-related interventions due to the multitude of individual motivations for corporate content-related involvement. (3) Distrust and reduced managerial autonomy at the SBU-level: corporate content-related involvement leads to the limitation and restraint of managerial autonomy at the SBU-level, which has inhibiting, obstructing and demotivating effects and slows the pace of strategic decision-making. The link between CCI and fast/slow decision speed was analyzed by focusing on t.o.p.GRID’s globular analysis, which resulted in no commensurate similarity and no significantly associated causality for the CCI-FDS combination. In line with this result is the absence of overlapping typical constructs between CCI and FDS. Even though CCI and SDS were perceived as moderately associated with a cross-section dimension of 53 percent, commensurate similarity could not be attained for this combination. Due to the considerable distance between

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182 Source: dissertation data; interview 10, line 27 – 33. This interview excerpt has previously been quoted for the illustration of slow decision speed in chapter 6.1 (‘The overall grid and the speed of strategic decision-making’).
CCI and FDS (cross-section dimension: 118 percent) and the close proximity between CCI and SDS (53 percent), only grounded theory interview quotations suggesting decision speed-inhibiting effects of CCI could be retrieved. Corporate content-related involvement and its overall effects are summarized as follows:

In summary, the dissertation’s respondents do not significantly associate corporate content-related involvement with fast decision speed. Due to a high cross-section dimension of 118 percent, no commensurate similarity between CCI and FDS is attained. This result is supported by the absence of overlapping typical constructs between the two centroids. However no commensurate similarity, but a moderate similarity between corporate content-related involvement and slow decision speed is detected in the dissertation’s t.o.p.GRID data. Grounded theory interview quotations qualitatively corroborate the existence of inhibiting and demotivating effects of CCI at the SBU-level, which in turn lead to a decrease in the speed of strategic decision-making. Generally, no significant commensurate causality can be established between this corporate involvement mean and decision speed. Corporate content-related involvement is perceived to have the following threefold organizational effects: (1) CCI represents a corporate mean of autocratic and patronizing control over the behavior of SBU employees. (2) CCI is perceived as opaque and hard to anticipate by SBU managers due to a multitude of differing individual motivations leading to the application of CCI. (3) CCI results in an atmosphere of frustration and demotivation at the SBU-level due to corporate managers limiting and restraining the managerial autonomy and flexibility of their subordinate managers.

Within the t.o.p.GRID multi-SSA, CCI represents the corporate involvement mean furthest away from fast decision speed. CCI is neighboring the corporate involvement means sanctioning as well as coercive enforcement. Due to a CCI cross section-dimension of less than 50 percent to the SN-centroid and one to the CE-centroid of just above 50 percent, commensurate similarity can be assumed between these three centroids. This implies that content-related involvement is with associated to the corporate use of sanctioning or coercive enforcement. Hence, in the dissertation’s research sites, CCI, SN and CE are commonly applied in conjunction, e.g. a corporate sanctioning action can be carried out through a content-related involvement at the SBU-level. Similarly, coercive enforcement and content-related involvement go hand-in-hand. CCI represents an overlying, comprehensive term generally encompassing the
specific style of corporate involvement at the SBU-level described above. In the preceding sections, all nine corporate involvement means derived from the dissertation’s empirical data have been illustrated with regard to their general organizational effects as well as their individual and specific impact on decision speed. The following section provides a summary and discussion of the nine corporate involvement means and their organizational effects and influences on the speed of strategic decision-making at the SBU-level.

6.3 Summary and discussion

Chapter 6 (‘Results – individual links between corporate involvement and decision speed’) presented the dissertation’s conceptualization of decision speed and portrayed the characteristics and perceived individual relationships and causalities between the dissertation’s nine means of corporate involvement and the concept of decision speed at the SBU-level. The following paragraphs recapitulate the conceptualization of decision speed and its organizational characteristics and effects. Furthermore, for each corporate involvement mean the conceptualization derived from the empirical data material, its perceived organizational effects as well as its perceived link to fast decision speed at the SBU-level, are displayed.

<table>
<thead>
<tr>
<th>Decision speed</th>
<th>Perceived organizational effects of FDS</th>
<th>Perceived organizational effects of SDS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Empirical conceptualization / definition</td>
<td>1. Transparent procedures and regulations</td>
<td>1. Intransparency and disorientation</td>
</tr>
<tr>
<td></td>
<td>2. Solutions, outcomes and results</td>
<td>2. Problem-orientation and passivity</td>
</tr>
<tr>
<td></td>
<td>3. Appreciation and trust</td>
<td>3. Depowering and distrust</td>
</tr>
<tr>
<td></td>
<td>4. Time, change and dynamism</td>
<td>4. Time, stagnation and lethargy</td>
</tr>
</tbody>
</table>

Table 6-1: Decision speed – conceptualization and organizational effects

The corporate involvement mean financial incentives (FI) is most closely associated with fast decision speed, which is apparent in the high number of overlapping typical
constructs (attribute area of intersection with FDS). Thus FI represents a powerful device for corporate managers influencing SBU managers and increasing their speed of strategic decision-making.

### Financial incentives

#### Empirical conceptualization / definition
Varying kinds of materialistic financial bonuses, profit participation schemes and remuneration and reward systems, which on the basis of quantitative and measurable figures and targets, are aimed at enhancing individual and firm performance in a self-regulatory manner.

<table>
<thead>
<tr>
<th>Perceived organizational effects</th>
<th>Attribute area of intersection to FDS</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Participating, involving, caring</td>
<td>b. Intervening performance-driven / outcome-, result- and solution-oriented</td>
</tr>
<tr>
<td>3. Initiating, triggering</td>
<td>c. Enhancing communication / agreeing on targets</td>
</tr>
<tr>
<td></td>
<td>d. Trusting</td>
</tr>
<tr>
<td></td>
<td>e. Action-oriented</td>
</tr>
<tr>
<td></td>
<td>f. Anticipating / future-oriented / timely</td>
</tr>
</tbody>
</table>

*Table 6-2: Financial incentives – conceptualization, effects and fast decision speed*

The corporate involvement mean *target definition* (TD) is the second most closely associated corporate involvement mean with fast decision speed. TD is perceived as highly similar to FI, which illustrates the fact that these two means of corporate involvement are closely interwoven. However, due to increased negotiation, communication and interaction activities prior to the definition of targets, the aspect of trust is less associated with target definition than it is with financial incentives. Hence, TD represents an effective mean of corporate involvement since it strongly enhances the speed of strategic decision-making by integrating aspects of hierarchical control combined with elements of cooperative interaction.
Results – individual links between corporate involvement and decision speed

<table>
<thead>
<tr>
<th>Target definition</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Empirical conceptualization / definition</strong></td>
</tr>
<tr>
<td>Quantitative as well as qualitative, strategic and operational goals, which on the basis of hierarchical power, strategic plans, analyses of anticipated internal and external developments, negotiation, bargaining and other forms of individual and group interactions are commonly established in order to motivate, stimulate, evaluate and reward the carrying out of specified managerial actions and the accomplishment of certain strategic goals within a pre-defined period of time.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Perceived organizational effects</th>
<th>Attribute area of intersection to FDS</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Participating, involving, caring</td>
<td>b. Outcome-oriented / solution-oriented</td>
</tr>
<tr>
<td>3. Objectives, prospects, future goals</td>
<td>c. Agreeing on targets</td>
</tr>
<tr>
<td></td>
<td>d. Timely</td>
</tr>
</tbody>
</table>

Table 6-3: Target definition – conceptualization, effects and fast decision speed

*Corporate process-related involvement* (CPI) is the third most closely associated corporate involvement mean with fast decision speed. Process-related involvement is closely associated with high content-related autonomy at the SBU-level, which in turn is closely associated to fast decision speed. CPI is perceived as similar to TD and FI, which emphasizes the fact that respondents consider financial incentives as well as corporate-induced targets to be process- rather than content-related. Thus, CPI represents an influential, stand-alone corporate involvement mean, which strongly enhances the speed of strategic decision-making by incorporating aspects of corporate process-related control as well as SBU content-related autonomy. In addition, CPI represents a comprehensive term generally encompassing the specific style of corporate involvement at the SBU-level characterizing FI and TD.
Corporate process-related involvement

Empirical conceptualization / definition

Binding, commonly applicable, mostly transparent and well documented means of corporate involvement at the SBU-level with regard to procedural aspects such as structures, systems, tools or know-how, which control and evaluate the outcome of SBU management activities and thereby provide SBU managers with a high degree of content-related freedom, autonomy and flexibility.

<table>
<thead>
<tr>
<th>Perceived organizational effects</th>
<th>Attribute area of intersection to FDS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Aligning, structuring, organizing</td>
<td>a. Transparently aligning / accomplishing clarity</td>
</tr>
<tr>
<td>2. Participating, involving, caring</td>
<td>b. Outcome-oriented / solution-oriented</td>
</tr>
<tr>
<td>3. Objectives, prospects, future goals</td>
<td>c. Trusting</td>
</tr>
</tbody>
</table>

Table 6-4: Corporate process-related involvement – conceptualization, effects and fast decision speed

The corporate involvement mean *HR- / career incentives* (CI) is the fourth most closely associated corporate involvement mean with fast decision speed. CI strongly enhances the speed of strategic decision-making by integrating aspects of corporate control combined with elements of participative interaction. CI is highly associated to CPI, TD and FI, which is apparent in the visualization of the t.o.p.GRID multi-SSA as well as in the intersecting attribute areas comprising aspects of structuring, aligning, outcomes, solutions and trust. The combination of these attribute areas allows for the integration of hard-fact aspects such as corporate control and organizational efficiency as well as soft issues such as corporate appreciation, SBU participation and motivation. In consequence, HR- / career incentives, stand-alone as well as in conjunction with the CPI-, TD- and FI-centroids, represents a significant mean for corporate managers to enhance the speed of strategic decision-making at the SBU-level.
HR- / career incentives

Empirical conceptualization / definition

HR- and career-related incentives which on the basis of pre-defined corporate guidelines, performance evaluations and analyses of SBU HR-potential recognize, reward, control and lead to increased entrepreneurial influence, hierarchical promotions, staff and leadership responsibilities and increased personal respect at the SBU-level.

<table>
<thead>
<tr>
<th>Perceived organizational effects</th>
<th>Attribute area of intersection to FDS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Aligning, structuring, organizing</td>
<td>a. Accomplishing clarity</td>
</tr>
<tr>
<td>2. Participating, involving, caring</td>
<td>b. Outcome-oriented / solution-oriented</td>
</tr>
<tr>
<td>3. Objectives, prospects, future goals</td>
<td>c. Trusting</td>
</tr>
</tbody>
</table>

Table 6-5: HR- / career incentives – conceptualization, effects and fast decision speed

The corporate involvement mean arenas for discourse (AD) is fifth farthest away from the FDS-centroid and is not significantly associated to fast or slow decision speed. Due to high cross-section dimensions, no commensurate similarity between arenas for discourse and decision speed (FDS/SDS) is attained.

<table>
<thead>
<tr>
<th>Arenas for discourse</th>
</tr>
</thead>
<tbody>
<tr>
<td>Empirical conceptualization / definition</td>
</tr>
<tr>
<td>Platforms, meetings, formal and informal structures and other forms of corporate-induced managerial gatherings at the SBU-level which integrate and involve managers of varying functions and disciplines to socialize, network, consult, present, communicate, discuss and exchange various types of information and strategic alternatives for the purpose of reaching consensus, making strategic decisions and participative agreements on upcoming managerial issues.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Perceived organizational effects</th>
<th>Attribute area of intersection to FDS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Bottom-up anarchy</td>
<td>n.a.</td>
</tr>
<tr>
<td>2. Top-down determinism</td>
<td></td>
</tr>
</tbody>
</table>

Table 6-6: Arenas for discourse – conceptualization, effects and fast decision speed

The corporate involvement mean coercive enforcement (CE) is sixth farthest away from the FDS-centroid and is not significantly associated to fast or slow decision speed. Even though individual interview quotations can be found referring CE to
efficient as well as inefficient organizational processes, neither overlapping typical constructs nor commensurate similarity between arenas for discourse and decision speed (FDS/SDS) is attained.

<table>
<thead>
<tr>
<th>Coercive enforcement</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Empirical conceptualization / definition</strong></td>
</tr>
<tr>
<td>Top and corporate managerial levels with centralized authority and hierarchical power positions coercively influencing managers at hierarchically lower levels by clearly dictating, determining and enforcing corporate-required outcomes in a top-down manner, leaving little or no room for discussion, autonomy and managerial freedom at the SBU-level and aiming for full adaptation by SBU managers</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Perceived organizational effects</th>
<th>Attribute area of intersection to FDS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Authoritarian control</td>
<td>n.a.</td>
</tr>
<tr>
<td>2. Overpowering, uncreative adaptation</td>
<td></td>
</tr>
</tbody>
</table>

Table 6-7: Coercive enforcement – conceptualization, effects and fast decision speed

The corporate involvement mean sanctioning (SN) represents the seventh closest centroid to the FDS-centroid and analogous to CE is not significantly associated to fast or slow decision speed. Neither overlapping typical constructs nor commensurate similarity between sanctioning and decision speed (FDS/SDS) can be attained. In the dissertation’s data material SN is strongly associated with CE, which emphasizes the fact that respondents consider both corporate involvement means to be applied in conjunction. Thus, CE and SN can be considered a corporate involvement mean cluster, frequently intertwined and combined as well as similarly affecting the organization involved.
Sanctioning

**Empirical conceptualization / definition**

Corporate managers assessing SBU managerial behavior, employing hierarchical power and taking interceptive, authoritative actions against SBU managers for not or unsatisfactorily fulfilling pre-defined financial targets, performance figures or other types of corporate-induced SBU-tasks, by immediately exerting verbal pressure, relocating managers and functional positions, controlling content-related SBU-activities, deducting financial benefits and taking other forms of penalizing actions going as far as the outplacing of underperforming SBU employees.

**Perceived organizational effects**

1. Distant control
2. Overpowering, uncreative adaptation

**Attribute area of intersection to FDS**

n.a.

Table 6-8: Sanctioning – conceptualization, effects and fast decision speed

The corporate involvement mean *conflict resolution* (CR) represents the eighth closest centroid to fast decision speed. CR is not significantly associated to fast or slow decision speed.

Conflict resolution

**Empirical conceptualization / definition**

The way in which corporate managers get involved at the SBU-level as catalysts, filters and ultimate decision authorities in situations of dispute, friction, dissensus and disagreement by resolving conflicts, settling resistance and generating solutions by means of communication, integration or hierarchical dictation.

**Perceived organizational effects**

1. Centralized, external control
2. Reciprocal, involving communication

**Attribute area of intersection to FDS**

n.a.

Table 6-9: Conflict resolution – conceptualization, effects and fast decision speed

*Corporate content-related involvement* (CCI) is the centroid ninth farthest away from FDS. Content-related involvement is closely associated with heavily reduced managerial autonomy at the SBU-level, which in turn is linked to slow decision speed. CCI is perceived as similar to SN and CE, which emphasizes the fact that respondents assume corporate sanctioning and coercive enforcement to result in a reduction of managerial flexibility at the SBU-level and a centralization of content-related decision-making at the corporate-level. Due to high cross-section dimension percentages and a lack of overlapping typical constructs, no commensurate similarity
between CCI and FDS can be attained. However, with a cross-section dimension of 53 percent, a moderate similarity between corporate content-related involvement and slow decision speed is detected. CCI represents an independent corporate involvement mean, which is perceived to decrease the speed of strategic decision-making at the SBU-level. Furthermore CCI represents an overlying, comprehensive term generally encompassing the specific style of corporate involvement at the SBU-level coinciding with SN and CE.

### Corporate content-related involvement

**Empirical conceptualization / definition**

Binding, individually applied and mostly undocumented and opaque corporate actions of intervention, impetus, command, hierarchical control and compulsion with regard to content-related aspects at the SBU-level such as operations, responsibilities, problems, risks and troubles, targets, tasks or directives, resulting in a decrease of content-related autonomy and managerial flexibility and thereby aiming for a complete adaptation of corporate-induced strategic contents at the SBU-level.

<table>
<thead>
<tr>
<th>Perceived organizational effects</th>
<th>Area of intersection to FDS/SDS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Autocratic, patronizing control</td>
<td>n.a.</td>
</tr>
<tr>
<td>2. Opaque inscrutability</td>
<td></td>
</tr>
<tr>
<td>3. Distrust and reduced managerial autonomy</td>
<td></td>
</tr>
</tbody>
</table>

**Table 6-10: Corporate process-related involvement – conceptualization, effects and fast decision speed**

Within t.o.p.GRID, multiple tools are provided for the analysis and evaluation of individual corporate involvement means as well as the perceived causality between individual involvement means and SBU-decision speed. In order to retrieve general centroid characteristics and assess the perceived organizational effects of a centroid, the dissertation’s analysis primarily rests on the retrieval of typical constructs within a 70.7 percent funnel of congruence to the individual corporate involvement mean centroid. The number of associated typical constructs for each centroid is depicted in column three of the following table. The second column asserts the total number of all associated constructs to individual specific centroids. Ranging between 327 and 373, this number of associated constructs signifies the empirical saturation of the data sample with regard to the respondents’ answers on individual centroids. According to t.o.p.GRID’s funnel selection, perceived causalities and influences between corporate involvement and decision speed are specifically observed through attribute areas of
intersection. The attribute areas of intersection of the FDS- and SDS-centroids are referred to in the two right columns of the following table, stating the number of overlapping typical constructs, i.e. the overlapping area between typical corporate involvement mean constructs and typical FDS-/SDS-constructs. The lack of overlapping typical constructs with the SDS-centroid, represented in the last column signifies that none of the nine dissertation’s corporate involvement means is perceived to significantly lead to slow decision speed at the SBU-level. However, the main finding of the t.o.pGRID funnel selection on the link between corporate involvement and decision speed is represented through the area of intersection with the FDS-centroid. Out of the 26 typical FDS-constructs, FI imparts 15, TD seven, CPI five and CI four. This result significantly corroborates the perceived enhancing impact of this cluster of corporate involvement means on the speed of strategic decision-making at the SBU-level.

<table>
<thead>
<tr>
<th>Funnel</th>
<th>Centroids</th>
<th>Number of associated constructs</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>All</td>
<td>Typical (70.7%)</td>
</tr>
<tr>
<td>FDS</td>
<td>339</td>
<td>26</td>
</tr>
<tr>
<td>SDS</td>
<td>327</td>
<td>33</td>
</tr>
<tr>
<td>FI</td>
<td>354</td>
<td>55</td>
</tr>
<tr>
<td>TD</td>
<td>365</td>
<td>56</td>
</tr>
<tr>
<td>CPI</td>
<td>336</td>
<td>68</td>
</tr>
<tr>
<td>CI</td>
<td>346</td>
<td>65</td>
</tr>
<tr>
<td>AD</td>
<td>348</td>
<td>11</td>
</tr>
<tr>
<td>CE</td>
<td>361</td>
<td>14</td>
</tr>
<tr>
<td>SN</td>
<td>357</td>
<td>12</td>
</tr>
<tr>
<td>CR</td>
<td>373</td>
<td>10</td>
</tr>
<tr>
<td>CCI</td>
<td>337</td>
<td>42</td>
</tr>
</tbody>
</table>

Table 6-11: Number of associated constructs within the t.o.pGRID funnel selection

The above finding is also supported by t.o.pGRID’s globular analysis, which measures the cross-section dimension required in the three-dimensional grid area in order to capture two centroids as commensurately similar. Raeithel (1991) defines
centroids as commensurately similar if they can be captured within a 50 percent cross-section dimension. Due to errors of approximation in the retrieving of cross-section dimensions within t.o.p.GRID, the following table presumes commensurate similarity of centroids up to a cross-section dimension of 51 percent, i.e. tolerating approximation errors of up to one percent in cross-section dimension. In the following table, cross-section dimensions of 51 percent and below are printed bold, signifying commensurate similarity between centroids. Cross-section dimensions of 52 percent and above are depicted in brackets, signifying that commensurate similarity is not attained. Cross-section dimensions according to individual centroids are displayed in the upper right-hand side of the table, whereas commensurately similar centroid-clusters are summarized and portrayed in the lower left of the table.

<table>
<thead>
<tr>
<th>Globular analysis</th>
<th>Cross-section dimension in percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Centroids</td>
<td>FDS</td>
</tr>
<tr>
<td>FDS</td>
<td>--</td>
</tr>
<tr>
<td>SDS</td>
<td>--</td>
</tr>
<tr>
<td>FI</td>
<td>TD, CPI, CI</td>
</tr>
<tr>
<td>TD</td>
<td>FI, CPI, CI</td>
</tr>
<tr>
<td>CPI</td>
<td>CI, TD, FI, CR, AD</td>
</tr>
<tr>
<td>CI</td>
<td>CPI, TD, FI, CR, AD</td>
</tr>
<tr>
<td>AD</td>
<td>CPI, CI, CR</td>
</tr>
<tr>
<td>CE</td>
<td>SN, CCI</td>
</tr>
<tr>
<td>SN</td>
<td>CE, CCI</td>
</tr>
<tr>
<td>CR</td>
<td>CI, CPI, AD</td>
</tr>
<tr>
<td>CCI</td>
<td>SN, CE</td>
</tr>
</tbody>
</table>

Table 6-12: Cross-section dimensions within the t.o.p.GRID globular analysis

In accordance with the results from the funnel selection, the globular analysis corroborates that the corporate involvement means FI, TD, CPI and CI are perceived as commensurately similar to FDS. This reiterates the respondents’ perception of FI, TD, CPI and CI as powerful means of corporate involvement significantly enhancing

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183 See first numbered row of above globular analysis table: FI (30), TD (37), CPI (47) and CI (51)
the speed of strategic decision-making at the SBU-level. The above table also demonstrates that the other five means of corporate involvement are not perceived as commensurately similar to fast or slow decision speed. With a cross-section dimension of 53 percent, CCI represents the only corporate involvement mean moderately associated with SDS.

Besides the retrieval of perceived similarities between individual corporate involvement means and decision speed, the t.o.p.GRID globular analysis also provides information on the forming of coherent groups of corporate involvement means. As illustrated in this chapter, corporate involvement means are often interwoven and applied simultaneously, which forms the basis for certain involvement clusters to emerge. The lower left-hand side of the above table summarizes and displays commensurately similar centroids and thereby allows for the forming of homogeneous clusters of corporate involvement means. From the globular analysis above, the following three involvement mean clusters are obtained. (1) The first cluster consists of the following four corporate involvement means: FI, TD, CPI and CI. All centroids in this cluster are captured by a cross-section dimension of 29 percent, which ensures commensurate similarity between these corporate involvement means. In addition, all four centroids of this cluster are perceived as commensurately similar and significantly associated to fast decision speed at the SBU-level. (2) The second cluster retrieved, consists of the following three corporate involvement means: CE, SN and CCI. These centroids are perceived as commensurately similar and all three means individually refer to each other. A significant association with FDS is not attained. (3) The third conceptual group comprises the remaining two centroids AD and CR, which cannot be significantly associated to any other existing cluster. The cross-section dimension between AD and CR has to be increased to 51 percent in order to comprise both centroids.

The above paragraphs have summarized the conceptualizations of decision speed and of the nine inductively derived means of corporate involvement at the SBU-level. On the basis of the t.o.p.GRID funnel selection, the perceived organizational effects and characteristics of the prevalent decision speed and involvement centroids have been analyzed and discussed. Four means of corporate involvement have been found to significantly enhance the speed of strategic decision-making at the SBU-level. These
findings were further corroborated by the application of the t.o.p.GRID globular analysis, which provided insights into respondents’ perceptions of similarity between t.o.p.GRID centroids. According to the sighting of these (commensurate) similarities within the t.o.p.GRID globular analysis, the existing nine means of corporate involvement means were aggregated into three independent clusters of corporate involvement. The following chapter presents an analysis and evaluation of these three corporate involvement mean-clusters, which allows drawing conclusions on how individual corporate involvement means interact and affect in a mutual and interwoven way the speed of strategic decision-making at the SBU-level.
7 Results – aggregated links between corporate involvement and decision speed

This chapter presents and discusses the key results of the dissertation with regard to the concept of decision speed and the links of three aggregated modes of corporate involvement on the basis of the individual involvement means elaborated in the preceding chapter. It is divided into three sections.

Within the first section, the three corporate involvement modes are derived on the basis of corporate involvement means, associated t.o.pGRID constructs and attribute areas as well as through grounded theory open and axial coding procedures. Empirical conceptualizations of the three corporate involvement modes are provided and the dissertation’s findings with regard to the impact of aggregated modes of corporate involvement on SBU-decision speed are evaluated on the basis of t.o.pGRID’s globular analysis and intersecting typical constructs within t.o.pGRID’s funnel selection. The first section is divided into three subchapters according to the autocratic control mode (ACM), participative appreciation mode (PAM) and hybrid mode (HYM). Furthermore, the perceived similarity and interconnectedness between corporate involvement means within a mode-cluster are scrutinized and relevant literature is depicted according to each aggregated mode of corporate involvement.

The second section explores the effects of varying corporate involvement modes on managers’ experiences at the SBU-level and seeks to further explore the ‘why-part’ of the dissertation’s research question, i.e. ‘why does corporate involvement at the SBU-level affect the speed of strategic decision-making?’ Three theoretical building blocks are derived, illustrating the effects of various corporate involvement behaviors and explaining how and why SBU-decision speed is affected. On the basis of the dissertation’s data material, propositions are suggested for each corporate involvement mode and for the theoretical building block respectively. In conclusion, a mid-range theoretical model is presented and two closing general propositions are offered.

Section three, reiterates the conceptualization of the corporate involvement modes and summarizes the retrieved findings on the links between the aggregated modes of corporate involvement, the theoretical building blocks, i.e. control, compassion and
commitment and the dissertation’s concept of SBU-decision speed. Furthermore, results from the t.o.pGRID globular analyses and funnel selections are condensed and the derived propositions are recapitulated. The following figure visualizes the outline of this chapter as well as its key contents.

Figure 7-1: Outline of chapter seven – ‘Results – aggregated links between corporate involvement and decision speed’

7.1 Corporate involvement modes and their impact on decision speed

This section presents the dissertation’s findings on the impact of modes of corporate involvement on the speed of strategic decision-making at the SBU-level. The aggregation of individual corporate involvement means in the form of comprehensive
corporate involvement modes supports the analysis and evaluation of organizational processes and allows drawing general conclusions on the effects of corporate involvement on the speed of strategic decision-making at the SBU-level. In light of this aim, Pettigrew (1992a: 8) states:

“The purpose of the process analysis is not just to describe the sequence or tell the story, but to identify patterns in the process often across several carefully chosen cases.”

As thoroughly described in chapter 6 (‘Results – individual links between corporate involvement and decision speed’), nine means of corporate involvement were inductively derived and conceptualized from the dissertation’s data material and their individual link to fast and slow decision speed was evaluated. In chapter 6.3 (‘Summary and discussion’), these nine corporate involvement means were subsequently grouped into the following three consistent clusters: (1) FI, TD, CPI, CI, (2) CE, SN, CCI and (3) AD, CR. According to these clusters of involvement means, the following three involvement modes are derived in the dissertation and elaborated in this chapter. (a) The autocratic control mode (ACM) corresponds to the second involvement mean cluster (2), i.e. to the corporate involvement mean centroids CE, SN and CCI. (b) The participative appreciation mode (PAM) refers to the third involvement mean cluster (3), focusing on the involvement means AD and CR. (c) The hybrid mode (HYM) concentrates on the remaining cluster of corporate involvement means: FI, TD, CPI and CI. The hybrid mode is portrayed last in this chapter since it represents a combination of the autocratic control and the participative appreciation mode and has the most significant effects on fast decision speed. Hence, corporate involvement modes are derived and aggregated from clusters of corporate involvement means, which are perceived as highly similar or strongly associated on the basis of common t.o.p.GRID constructs. On the basis of these involvement mean

184 Also see: Langley, 1999; Van de Ven, 1992
185 These clusters of involvement means are arranged in the order and sequence of their internal perceived similarity and consistency and their perceived influence on fast decision speed.
186 Within the discussion of corporate involvement modes, the previous sequence of involvement mean clusters is changed. This is due to the fact that the autocratic control mode (ACM) in combination with the participative appreciation mode (PAM) constitute the hybrid mode (HYM) in a later sequential step, thus, changing the previous sequence of corporate involvement means. Therefore, the following clusters and modes correspond: 1c, 2a, 3b
clusters, the three modes describe behavioral involvement patterns of corporate managers at the SBU-level and their effects with regard to decision speed. The analysis of corporate involvement modes facilitates the realization of two goals. Firstly, it allows aggregating the results of the individual corporate involvement mean effects on decision speed to a more abstract and generalized level. Secondly, it permits to draw conclusions on how different corporate involvement means applied in conjunction interact and mutually affect the speed of strategic decision-making at the SBU-level. The latter aspect is also relevant to corporate involvement modes being applied together and mutually affecting decision speed. The following figure refers to the ‘how’-part of the dissertation’s research question and visualizes this approach of aggregation and interaction between corporate involvement means, corporate involvement modes and the speed of strategic decision-making at the SBU-level.
Results – aggregated links between corporate involvement and decision speed

For the sake of comparability and intelligibility, the following three subchapters are organized according to a homogeneous structure along the lines of the dissertation’s three modes of corporate involvement. First, each inductively derived corporate involvement mode is labeled and referred to the individual corporate involvement means constituting each aggregated mode. Additionally, associated t.o.p.GRID constructs within varying selections of the funnel analysis are pointed out. In a second

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187 The depiction of corporate involvement modes and corresponding means in this figure is presented in the order of appearance throughout this chapter.
step, the dissertation’s empirical conceptualizations of the aggregated corporate involvement modes are presented on the basis of individual attribute areas as well as open and axial grounded theory coding procedures. In order to keep the definitions derived from the empirical data material as close as feasible to the original statements, a high number of respondents’ terms is directly integrated into the definitions, making them more lengthy and complex. However, the complexity of the empirical conceptualizations appears justified in light of the close proximity to the actual empirical data. In a third stage, on the basis of the individual attribute areas and typical constructs derived within the t.o.p.GRID funnel selection, aggregated mode-attribute areas are developed and described in greater detail, illustrating the general perceived characteristics and the organizational effects of the aggregated modes of corporate involvement. In a fourth step, the perceived links and associations of the corporate involvement modes are analyzed and evaluated with regard to SBU-decision speed. This is primarily carried out on the basis of t.o.p.GRID’s globular analysis. In the case of existing significant associations between a corporate involvement mode and fast decision speed, overlapping constructs derived within t.o.p.GRID’s funnel selection are presented and evaluated. In a fifth step, perceived similarities and interdependencies between corporate involvement means within a given mode-cluster are pointed out. In a sixth step, the main findings are summarized. After the summary, relevant, general and specific fields of literature linking to the varying modes of corporate involvement are depicted in the seventh stage. This standardized structure and outline of the following three subchapters allows for better comparability and provides a transparent and comprehensible way of presenting the dissertation’s complex findings of the impact of corporate involvement behavior on SBU-decision speed.

7.1.1 Autocratic control mode

As stated above, the autocratic control mode (ACM) is developed from the cluster around the three commensurately similar corporate involvement means coercive enforcement (CE), sanctioning (SN) and corporate content-related involvement (CCI). By adding up the number of corporate involvement mean constructs, ACM is comprised of a total of 1055 associated t.o.p.GRID constructs, out of which 172 represent constructs overlapping all three centroids. Accumulating the number of typical CE, SN and CCI constructs generates 68 typical constructs associated with
ACM. Due to redundancies and overlapping constructs, this number of combined typical constructs is reduced to 56.\textsuperscript{188} Within the individual analysis of corporate involvement means, these typical constructs were further aggregated through the development of attribute areas depicting the perceived organizational effects. The typical t.o.p.GRID constructs of coercive enforcement are grouped around the following two attribute areas: (1) authoritarian control and (2) overpowering, uncreative adaptation. Sanctioning (SN) is divided into the two attribute areas: (1) distant control and (2) overpowering, uncreative adaptation. The typical constructs associated with corporate content-related involvement (CCI) are (1) autocratic, patronizing control, (2) opaque inscrutability and (3) distrust and reduced managerial autonomy. As described in chapter 5.3 (‘Synthesis and evaluation - the dissertation’s overall work process’), the 56 typical constructs associated with the three ACM-corporate involvement means as well as the corresponding attribute areas are reentered into the grounded theory methodology for the purpose of deriving a core category and carrying out axial and selective coding procedures. Hereby, the autocratic control mode (ACM) represents the core category derived within the reentered grounded theory coding procedure. The following paragraphs illustrate how the autocratic control mode (ACM) is derived within grounded theory methodological procedures on the basis of the corporate involvement means CE, SN and CCI, the typical t.o.p.GRID constructs associated with them as well as their aggregations in the form of the derived attribute areas.

As described in chapter 4.2.2 (‘The general methodological work process of grounded theory’) and chapter 5.1 (‘The dissertation’s work process of grounded theory’) the grounded theory open coding procedure consists of the following two steps: (1) the conceptualization of data and terminology, which comprises the selecting and labeling of an observation in the form of assigned codes and (2) the categorization, i.e. the development of categories, which consists of the grouping of concepts/codes, the retrieval of categories and the definition of properties and dimensions. In reference to the dissertation’s autocratic control mode, the first step of open coding, i.e. the

\textsuperscript{188} The number of 68 typical ACM constructs is comprised of the following typical involvement mean constructs: 14 x CE, 12 x SN, 42 x CCI. However due to two constructs overlapping all three centroids (i.e. minus four) and eight constructs overlapping two centroids (i.e. minus eight), only 56 typical ACM-constructs are taken into consideration.
assigning of codes was carried out through the methodological procedures of t.o.p.GRID. Respondents assigned typical constructs to each t.o.p.GRID centroid representing a corporate involvement mean within the specified cluster. These typical constructs (t.o.p.GRID) are reentered as codes into the grounded theory open coding procedures. The second step of grounded theory open coding, i.e. the development of categories is completed within t.o.p.GRID through the development of attribute areas on the basis of clusters of typical corporate involvement mean constructs. Subsequently, ACM is derived as an aggregation and combination of the existing attribute areas within the cluster of CE-, SN- and CCI-centroids. Within this iteration between t.o.p.GRID and grounded theory, the succeeding grounded theory terms correspond to t.o.p.GRID terms as depicted in the following: grounded theory ‘codes’ refer to ‘typical constructs’ associated with centroids representing corporate involvement means within t.o.p.GRID. ‘Categories’ within grounded theory represent ‘attribute areas’, which describe the perceived characteristics and organizational effects on the basis of typical constructs. Finally, the grounded theory ‘core category’ is represented through the ‘corporate involvement mode’ of autocratic control. The following figure visualizes the development of the autocratic control mode through the grouping of typical corporate involvement mean constructs and attribute areas in the cluster of CE, SN and CCI.
Results – aggregated links between corporate involvement and decision speed

Figure 7-3: Deriving ACM by aggregating CE, SN and CCI in grounded theory

The perceived characteristics and organizational effects of ACM are best described through the following two aggregated ACM-attribute areas: (1) ‘authoritarian, distant, autocratic, patronizing control’ and (2) ‘overpowering, uncreative adaptation and reduced managerial autonomy’.

The first aggregated characterization of the autocratic control mode (1) rests on the following three attribute areas: authoritarian control (CE), distant control (SN) and autocratic, patronizing control (CCI). This aggregated ACM-attribute area focuses on the dictatorial and oppressive style of corporate involvement actions at the SBU-level and assumes that corporate managers deliberately seek to control SBU-behavior by
authoritatively commanding and directing required SBU-behavior. This aspect of autocratic control characterizes all three corporate involvement means comprised in ACM. CE assumes that corporate managers apply force and coercion in order to establish corporate-preferred outcomes. SN controls SBU managers who do not comply with corporate requirements by penalizing their behavior. CCI mechanistically assumes that corporate repressive input behavior results in submissive and adaptive SBU output behavior with regard to content-related matters. Respondents assume that corporate actions according to this aggregated perspective combine several corporate involvement means within the cluster. For example, corporate sanctioning behavior can comprise coercive enforcement as well as corporate content-related involvement activities. Despite existing differences in the exercising of CE, SN and CCI, respondents commonly associate this cluster of corporate involvement means with ‘authoritarian, distant, autocratic and patronizing control’. This characterization of the autocratic control mode is expressed among others by constructs such as intruding, dictating, authoritarian, bossy, centralistic, compulsory, distant or dissociated. Since the individual attribute areas have been qualitatively corroborated by interview quotations in the preceding chapters, no further quotation excerpts appear necessary and are therefore omitted at this point.189

The second aggregated ACM-attribute area (2) focuses on the aspect of ‘overpowering, uncreative adaptation and reduced managerial autonomy’ at the SBU-level. The effects of the second attribute area are perceived as a direct result of the first aggregated attribute area depicted above. That is, managers at the SBU-level feel inhibited, limited and frustrated by authoritarian corporate interventions into their ongoing business processes. The majority of respondents in the dissertation perceives the application of force and coercive corporate authority as unsatisfying and obstructive to the efficiency of their processes. This negative connotation applies to coercive enforcement, corporate content-related involvement as well as to sanctioning. In the latter case, the negative perceived aspects are even outweighed by the fact that corporate sanctions are initially triggered by the unsatisfactory behavior of SBU employees and thus, can have positive effects such as commonly applicable and enforced standards or general rules of fairness. In conclusion, the reduced managerial

189 For interview quotations regarding the first aggregated ACM-attribute area in preceding chapters, see: footnote 153 (CE), footnote 162 (SN), footnote 177 (CCI)
freedom and the lack of entrepreneurial autonomy and challenges discourage and frustrate employees at the SBU-level and slow their organizational processes. The aggregated ACM-attribute area is characterized among others by constructs such as political, demotivating, no orientation, inhibiting, limiting or making reliant. Equally to the attribute area illustrated above, qualitatively supporting interview quotations have been pointed out in previous chapters and are therefore excluded at this point.190

The labeling of this corporate involvement mode as autocratic control mode (ACM) primarily rests on the first attribute area illustrated above. This is due to the fact that the first aggregated ACM-attribute area refers to the actual behavior of corporate involvement, whereas the second focuses on the perceived effect of this involvement at the SBU-level. Thus, the second aggregated ACM-attribute area is regarded as a result of the involvement sketched in the first attribute area, which rationalizes the labeling as autocratic control mode. On the basis of the dissertation’s grounded theory coding procedure, the autocratic control mode is conceptualized as follows: ‘The corporate involvement mode of autocratic control (ACM) circumscribes corporate managerial actions, which on the basis of centralized authority and hierarchical power seek to control SBU-behavior and processes by exerting pressure, autocratically commanding, enforcing and determining corporate-preferred outcomes and thereby aiming for complete adaptation of corporate-induced strategic contents at the SBU-level.’191

The associated link between the autocratic control mode and decision speed is analyzed within the t.o.p.GRID globular analysis. The following figure visualizes the relevant cross-section dimensions attained in the dissertation’s data.

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190 For interview quotations regarding the first aggregated ACM-attribute area in preceding chapters, see: footnote 154 (CE), footnote 163 (SN), footnote 179 (CCI)
191 Source: empirical conceptualizations and ATLAS.ti code- and memo-lists of CE, SN and CCI
As pointed out in the preceding chapter, the three corporate involvement means comprised in the autocratic control mode are not significantly associated with fast decision speed. Due to high cross-section dimensions ranging from 93 to 118 percent, no commensurate similarity to fast decision speed is attained by any of the corporate involvement means in the ACM-cluster. Therefore, ACM inevitably is not associated with fast decision speed. This result is supported by the 102 percent average cross-section dimension between the ACM-cluster and the FDS-centroid and additionally by the lack of overlapping typical constructs between ACM and fast decision speed. With an average ACM-cross-section dimension of 82 percent, the SDS-centroid is more highly associated to the ACM-cluster than FDS, however, no significant commensurate similarity can be attained. This also applies to the corporate involvement means within the ACM-cluster, which range from 53 percent to 103 percent in cross-section dimension to the SDS-centroid. This result implies that none of the ACM-centroids is perceived as commensurately similar to SDS, which is also supported by the absence of overlapping typical constructs in the t.o.p.GRID funnel selection. However, with a low cross-section dimension of 53 percent, corporate content-related involvement is recognized as moderately associated with SDS. In summary, corporate involvement according to the autocratic control mode is not

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\(^{192}\) The distances between corporate involvement means in this figure do not correspond to the scaling in the dissertation’s t.o.p.GRID multi-SSA.
Results – aggregated links between corporate involvement and decision speed

significantly linked to fast decision speed. Despite the moderately perceived similarity between CCI and SDS, no significant link between ACM and SDS is attained.

Within the corporate involvement mode of autocratic control, coercive enforcement and sanctioning are most closely associated to each other, which is substantiated by a cross-section dimension of 21 percent and a high overlap and similarity in typical constructs and attribute areas. Thus, the dissertation’s respondents perceive CE and SN to be strongly interwoven and applied in conjunction. Examples are corporate sanctions, which are enforced coercively or vice versa corporate coercive enforcement going along with the use of sanctions. With a cross-section dimension of 39 percent, the second closest association within the ACM-cluster is the link between the corporate involvement mean sanctioning and corporate content-related involvement. Similarly to the association between CE and SN, this implies that CCI and SN are commonly perceived as interacting and being combined. For example, corporate sanctioning is carried out through content-related interventions at the SBU-level. Vice versa, corporate content-related involvement also relies on sanctioning among other possible means of corporate involvement. The link between CCI and CE represents the third closest association within the ACM-cluster. With a 51-percent cross-section dimension, CCI and CE are considered commensurately similar. As stated above, the perceived similarity originates from the fact that the dissertation’s respondents associate content-related interventions with the application of coercion, corporate authority and centralized power.

In summary, the dissertation’s t.o.p.GRID data material neither significantly corroborates an association between ACM and FDS nor between ACM and SDS. The above paragraphs have described how respondents perceive the autocratic control mode (ACM). The following two aggregated attribute areas describe the organizational effects of the corporate involvement mode of autocratic control within the dissertation’s research sample. (1) Authoritarian, distant, autocratic, patronizing control: corporate managers dictatorially command, control and enforce managerial actions at the SBU-level seeking to establish corporate-preferred outcomes by forcing SBU managers to fully adapt to the pre-defined contents and processes. (2) Overpowering, uncreative adaptation and reduced managerial autonomy: Resulting from the effects described within the first aggregated ACM-attribute area, managers at
the SBU-level feel inhibited, limited and demotivated by authoritarian corporate interventions into their organizational processes. In the dissertation the application of autocratic corporate authority is generally perceived as obstructive to the efficiency of SBU-processes. According to t.o.p.GRID’s globular analysis, no commensurate similarity and thus, no significantly associated causality between ACM and fast decision speed is observed. Even though the corporate involvement mean CCI is moderately associated with slow decision speed, no significant association is detected between ACM and the centroids within the dissertation’s t.o.p.GRID data material. This result is further supported by the lack of overlapping typical constructs between ACM and FDS/SDS. The corporate involvement mode ACM is summarized as follows:

In summary, the dissertation’s respondents do not significantly associate the corporate involvement mode of autocratic control to fast or slow decision speed. Due to high cross-section dimensions, no commensurate similarity between ACM and decision speed (FDS/SDS) is attained. Even though CCI is moderately associated with SDS, no overlapping typical constructs are retrieved and therefore no significant causality can be established between this corporate involvement mean and decision speed. ACM is perceived to have the following twofold organizational effects: (1) ACM actions represent corporate autocratic interventions at the SBU-level, directly commanding, controlling and enforcing corporate-preferred outcomes (2) Corporate ACM-behavior results in inhibited, demotivated and frustrated SBU managers due to the application of centralized authority and hierarchical power, which forces SBU managers to adapt pre-defined corporate procedures and actions, simultaneously restraining them to have an influencing effect on the company.

The inductively derived corporate involvement mode of autocratic control (ACM) comprises the three corporate involvement means coercive enforcement (CE), sanctioning (SN) and corporate content-related involvement (CCI). The high, perceived similarity between these three means of corporate involvement emphasizes the fact that respondents perceive them to be applied in conjunction, affecting the organization in a comparable way. Due to the process of inductively deriving and conceptualizing the concept of ACM from the dissertation’s data, no deductive introduction from or rooting in the field of literature is required. However, the dissertation’s empirical concept of ACM can be linked to relevant fields in the
literature. Hence, the dissertation’s empirical findings on the influence of corporate involvement on decision speed thereby contribute to the ongoing discussion in the field of strategy-making. The following paragraphs focus on the relevant literature, which can be linked to the corporate involvement mode of autocratic control.

The topic of autocratic control is widely discussed in the management literature. Referring to methods of leadership and teaching, Maehr/Stallings (1972) state that controlling autocratic techniques primarily rely on extrinsic rewards, allowing subordinates little choice on how to go about the carrying out of their tasks and threatening to withdraw emotional support as a means of control. According to Fairhurst/Green/Courtright (1995), autocratic control is associated with less participative communication between managers and subordinates, which the authors in turn refer to as a potential source of organizational inertia. This perception of ACM goes in line with the dissertation’s t.o.p.GRID result, stating that ACM is more closely associated with slow than with fast decision speed. Fairhurst/Green/Courtright (1995) also claim that autocratic as opposed to participative managerial styles, lead to fewer challenges by subordinates, more superior-led discussions and more subordinate approval seeking. Other authors such as Waggott (1985) refer autocratic leadership styles to recessionary periods or generally to bureaucratic organizations with high needs for security. In line with the argumentation of bureaucratic structure, Argenti (1976) relate autocratic control of executive managers to the existence of established corporate planning systems. Buchanan/Badham (1999: 609) substantiate these articles and reconfirm the dissertation’s findings by associating autocratic control with “hierarchical, rigid, bureaucratic organizations, with lots of time and money wasted on unnecessary procedures, and rule-following and with poor staff-morale.”

Numerous authors in the field of strategic management literature present autocratic control in the context of aggregated patterns, leadership styles or process modes of strategy-making (Robertson, 1999). Fairhurst/Green/Courtright (1995) differentiate between an autocratic and a participative management style. On the basis of a power and control continuum, Singh (1982) distinguishes between the following six leadership styles: democratic, developer, bureaucratic, autocratic, compromiser and missionary. Davids (1995) categorizes between military and empowerment managerial styles and Ehin (1995) differentiates between a control-based, autocratic and
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hierarchical management paradigm and an empowerment paradigm. Initiated by Mintzberg’s work (1973a) on three modes of strategy-making, several authors have elaborately focused their research on patterns and modes of strategy-making (Burgelman, 1983a/b; Bourgeois/Brodwin, 1984; Hart, 1992; Hart/Banbury, 1994). Mintzberg (1973a, 1978) seeks to explore how organizations make important decisions and link them together to form strategies. He defines the following three distinct groupings and refers to them as modes of strategy-making: (1) in the entrepreneurial mode, one strong leader takes bold, risky actions on behalf of his/her organization. (2) In the adaptive mode, the organization adapts in small, disjointed steps to a difficult environment. (3) In the planning mode, formal analysis is used to plan explicit and integrated strategies for the future.

Bourgeois/Brodwin (1984) examine the following five process models in the realm of strategy implementation: (1) the commander model contains a strong normative bias toward centralized direction. This model strongly guides the CEO in charting his firm’s destiny, i.e. the CEO uses analyses to plan resource allocations in the achievement of explicit objectives. (2) The change model emphasizes how organizational structures, incentive compensations and control systems facilitate the execution of a strategy. This approach usually concerns the adoption of a new strategy, which justifies the labeling as change model. (3) The collaborative model concentrates on group decision-making and comprises top management in the formulation process to secure commitment. This model involves the consideration of multiple inputs to a group decision in which strategy emerges as a negotiated outcome. (4) The cultural model focuses on strategy implementation through the infusion of a corporate culture throughout the organization. Within this model, lower managerial levels participate in the design of means to perpetuate strategic direction and are influenced with a set of values, which influence work-related behavior. (5) The crescive model examines strategy issues using the principal/agent model and concentrates on managers’ natural tendencies to develop new opportunities from within the firm, i.e. as they perceive them in the course of their ongoing business processes. The dissertation’s autocratic control mode clearly links to the commander model stated above. According to Bourgeois/Brodwin (1984), the role of the CEO within the commander model is that of a ‘rational actor’ issuing directives from the seat of power. Hence, the commander model requires that the CEO holds a considerable amount of power and has access to
complete information for the purpose of exhaustive analyses before actions are taken. Bourgeois/Brodwin (1984) generally argue that the commander model is applied by executives who seek to have a sense of direction for their firm that will reduce uncertainty and solve ongoing problems. Bourgeois/Brodwin (1984) state the following four limitations of the commander model. (1) Easy implementation: the commander model requires conditions where the CEO has a great deal of power and can command implementation or where the proposed strategy poses little threat to organizational members, so implementation can be achieved easily. (2) Good information: the commander model requires that accurate and timely information must be available to the strategists or that environmental change be slow enough to allow for full information to be assimilated. (3) Objective planners: the commander model requires that the strategist be isolated from personal biases and political influences, which may encroach on the content of the strategy. (4) Splitting the firm into thinkers and doers: the commander model assumes a division of the organization into thinkers and doers, which can create motivational problems due to the created belief that the only acceptable strategies are those developed by the executives or their planning staff. The latter dimensions specifically links to the dissertation’s individual ACM-attribute areas of ‘overpowering, uncreative adaptation’ (CE and SN) and ‘distrust and reduced managerial autonomy’ (CCI). Bourgeois/Brodwin (1984) offer several reasons why executive managers heavily rely on the application of the commander model. Due to its predictive and mechanistical mode of functioning, the commander model offers an attractive perspective for chief executive managers to rely on. Furthermore, the division of the management tasks into ‘planning’ and ‘doing’ reduces the number of inputs to be processed simultaneously, indirectly allowing executive managers to be more efficient. Since the commander model focuses on the quantitative elements of a situation rather than the subjective and behavioral considerations, it fits to the common predisposition of many corporate managers. Finally, Bourgeois/Brodwin (1984: 245) state that “the separation between the corporate planner/manager as a thinker and everyone else as a doer fits the view of the boss as an all-powerful hero, shaping the destiny of thousands with his decisions. This somewhat macho view naturally appeals to many aspiring managers.” The contribution by Bourgeois/Brodwin (1984) solely focuses on the conceptualization of these four models and does not link to any kind of outcome
variable. Hence, no corresponding conclusions can be drawn with regard to existing effects of these models on decision speed or other general forms of outcome.

Shrivastava/Grant (1985) provide prototypical patterns of decision processes, which they refer to as models of strategic decision-making processes. The authors propose the following four models as an initial step towards the development of a taxonomy of strategic decision processes. (1) In the managerial autocracy model a single key manager is the primary decision-making agent. The entire decision process revolves around the preferences and actions of the main decision-maker, who seeks to improve the organizational efficiency through personal intuitive, judgmental evaluation procedures. (2) The systemic bureaucracy model refers to situations in which organizational systems and official rules and regulations largely determine the activities, information-flows and interactions that constitute the strategic decision-making process. (3) In the adaptive planning model, organizations use their long-range strategic plans as a guide for strategic decision-making. Information needs of the organization are carefully assessed and thorough analyses of options are developed for the strategic plans, which are subsequently modified to accommodate changed organizational conditions. (4) In the political expediency model groups of decision-makers form coalitions around the decision-issue in order to protect and maximize the group’s interest. The solution building activity generally proceeds at two levels, at one level a small group of insiders makes the critical choices, whereas at the surface level these decisions are rationalized to the organization through the use of bureaucratic rules, committee decisions and planning activities. The dissertation’s corporate involvement mode ACM refers to the managerial autocracy model by Shrivastava/Grant (1985). This is primarily due to its strong focus on a small number of top managers and their assistants as personalized decision-makers. Despite the correspondence of the managerial autocracy model and the dissertation’s autocratic control mode, different result are retrieved with regard to the aspect of the speed of strategic decision-making. According to Shrivastava/Grant (1985) the managerial autocracy model consumes the shortest average time for the decision-making process in comparison to the other three models. In contrary, the dissertation’s respondents

associate ACM with slow rather than with fast decision speed. However, the following two pitfalls exist in the direct comparison. Firstly, by stating that the managerial autocracy model has the shortest average time of decision-making out of the three models, it is impossible to conclude whether this corresponds to the overall decision speed being fast or slow. Hence, all three of the authors’ models could be associated with slow decision-making, with the managerial autocracy model being the least slowest model of the three. Secondly, a comparison between the models brought forward by Shrivastava/Grant (1985) and the dissertation’s involvement modes is complicated since only one of the corporate involvement modes (ACM) corresponds to one of the three models by Shrivastava/Grant (1985). No corresponding association is retrieved for the other two modes or models respectively.

Hart (1992) provides an integrative framework composed of the following five strategy-making modes, which are based on the contrasting roles top managers and organizational members play in the strategy-making process: command, symbolic, rational, transactive and generative. (1) Similarly to Mintzberg’s entrepreneurial mode (1973a, 1978), the commander model brought forward by Bourgeois/Brodwin (1984), or the managerial autocracy model by Shrivastava/Grant (1985), Hart’s command mode (1992) assumes a strong leader or a few top managers designing strategy and pushing it down in the organization. Top managers, as ‘commanders’ formulate the strategy and provide direction, whereas organizational members as ‘soldiers’ execute the strategy and obey orders. (2) Within the symbolic mode of strategy-making, leaders as motivating and inspiring ‘coaches’ primarily articulate a mission and create a vision and common perspective that help guide the actions of organizational members who as ‘players’ respond to challenges and seek to achieve common goals. (3) Within the rational mode, formal planning systems and hierarchical relationships predominate. Strategy-making is viewed as the execution of plans produced through comprehensive analysis and systematic procedure. Top managers as ‘bosses’ evaluate and control, whereas organizational members as ‘subordinates’ follow the system. (4) In the transactive mode top managers’ primary role is to facilitate an interactive process of strategy formation by empowering and enabling managers at subordinate levels. The content of the strategy emerges through transactions among organizational members and key stakeholders as learning and improving participants. (5) In the generative mode strategy is driven by the initiative
of organizational actors. Top managers, as ‘sponsors’, adjust the strategy to fit the patterns of innovations that emerge from below. Corporate managers endorse and support organizational members, who as ‘entrepreneurs’ experiment and take risks.

The dissertation’s autocratic control mode links to the imperial command mode brought forward by Hart (1992) and is subsequently corroborated and extended by Hart/Banbury (1994). Regarding this mode, a comparatively small group of strong top managers exercises total control over the firm. Strategy-making is a heavily controlled process that is centralized at the top of the organization. In summary, within the command mode, top management prescribes desired behavior by dictating strategy from top-down, leaving little freedom and role for organizational members except as implementers. Hart (1992: 339) describes this as follows: “Organizational members behave more like ‘sheep’ than like active participants in the strategic process.” With regard to outcome implications, Hart (1992) argues that the command mode is not positively associated with any of the performance dimensions observed in the study. However, the link to lower performance is primarily due to inefficiencies caused by role imbalances, an orientation toward total top management control and organizational skills and capabilities being underutilized. These negative effects coincide with the inefficiencies detected within the dissertation’s ACM.

In addition to the above illustrations of modes, patterns, models, styles and typologies of strategy-making and strategic decision-making processes, the dissertation’s corporate involvement mode of autocratic control (ACM) also relates to the literature of Burgelman (1983a/b, 1985, 1996) and his model of the interaction of strategic behavior, corporate context and the concept of corporate strategy. This concept of corporate strategy encompasses two distinct, selective processes: the structural context and the strategic context. (1) The structural context intervenes in the relationship between induced strategic behavior and the concept of corporate strategy and serves as a mechanism selecting various aspects of the induced strategic behavior. Burgelman (1983a: 65) describes this perspective as follows:

“Structural context determination is a broad envelope concept used to denote the various administrative mechanisms that corporate management can manipulate to change the perceived interest of the strategic actors in the organization.”
This process of strategy-making, i.e. the efforts of top managers to adjust administrative arrangements primarily focuses on choices of top managers regarding the degree of formalization of positions and relationships, the appointment of middle-level managers with particular orientations or measures of managerial performance. (2) The second process is driven by autonomous strategic behavior at the operational- and middle-levels of the organization and affects the strategic context of an organization. According to Burgelman (1983a: 66) this dimension is defined as follows:

“Strategic context determination reflects the efforts of middle level managers to link autonomous strategic behaviors at the product/market level into the corporation’s concept of strategy. To do so, the middle level managers must make sense out of these autonomous strategic initiatives and formulate workable, attractive strategies. (...) In addition they must engage in political activities to convince top management to rationalize, retroactively, these successful initiatives by amending the concept of strategy to accommodate the strategic initiatives.”

The dissertation’s corporate involvement mode of autocratic control relates to Burgelman’s first perspective of induced strategic behavior and structural context, since all three corporate involvement means within the autocratic control mode assume corporate managers to deliberately induce decisions at the SBU-level, allowing little to no room for autonomous strategic behavior of SBU managers.

In summary, the dissertation’s autocratic control mode (ACM) refers and contributes to the following pieces of literature, which are depicted in the following table.\(^{194}\)

\(^{194}\) In order to facilitate a summarizing overview, authors and contributions are listed in the order of presentation within the preceding text and not in alphabetical or chronological order.
<table>
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<td><em>management style</em></td>
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<tr>
<td><strong>Singh (1982)</strong></td>
<td>1. democratic, 2. developer, 3. bureaucratic, 4. autocratic, 5. compromiser, 6. missionary</td>
<td>➤ Autocratic leadership style</td>
</tr>
<tr>
<td><em>leadership style</em></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Davids (1995)</strong></td>
<td>1. military, 2. empowerment</td>
<td>➤ Military management style</td>
</tr>
<tr>
<td><em>management style</em></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Ehin (1995)</strong></td>
<td>1. control-based, autocratic, hierarchical, empowerment</td>
<td>➤ Control-based, autocratic and hierarchical management paradigm</td>
</tr>
<tr>
<td><em>management paradigm</em></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Mintzberg (1973, 1978)</strong></td>
<td>1. entrepreneurial, 2. adaptive, 3. planning</td>
<td>➤ Entrepreneurial strategy-making mode</td>
</tr>
<tr>
<td><em>strategy-making mode</em></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Bourgeois/Brodwin (1984)</strong></td>
<td>1. commander, 2. change, 3. collaborative, 4. cultural, 5. crescive</td>
<td>➤ Commander model of strategic implementation CM: rational actor</td>
</tr>
<tr>
<td><em>process model of strategy implementation</em></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Shrivastava/Grant (1985)</strong></td>
<td>1. managerial autocracy, 2. sytemic bureaucracy, 3. adaptive planning, 4. political expediency</td>
<td>➤ Managerial autocracy model provides shortest average decision-making time (However, limited comparability to dissertation)</td>
</tr>
<tr>
<td><em>model of strategic decision-making process</em></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Hart (1992) &amp; Hart/Banbury (1994)</strong></td>
<td>1. command, 2. symbolic, 3. rational, 4. transactive, 5. generative</td>
<td>➤ Command mode; low performance link due to role imbalance and underutilization of skills and capabilities</td>
</tr>
<tr>
<td><em>mode of strategy-making process</em></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Burgelman (1983a/b, 1985, 1996)</strong></td>
<td>1. induced, 2. autonomous</td>
<td>➤ Induced strategic behavior (structural context)</td>
</tr>
<tr>
<td><em>strategic behavior</em></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 7-1: Relevant fields of literature relating to the dissertation’s ACM
7.1.2 Participative appreciation mode

The participative appreciation mode (PAM) is developed from the cluster around the two commensurately similar corporate involvement means arenas for discourse (AD) and conflict resolution (CR). The corporate involvement mode PAM is comprised of a total number of 721 associated t.o.p.GRID corporate involvement mean constructs, out of which 223 represent constructs overlapping both centroids. Accumulating the number of typical AD and CR constructs, generates 21 typical constructs associated with PAM. Due to an overlapping construct, this number of combined typical constructs is reduced to 20. Throughout the individual analysis of corporate involvement means, the typical constructs are further aggregated through the retrieval of attribute areas depicting the perceived organizational effects. The typical t.o.p.GRID constructs of arenas for discourse revolve around the following two attribute areas: (1) bottom-up anarchy and (2) top-down determinism. Conflict resolution (CR) is divided into the following two attribute areas: (1) centralized external control and (2) reciprocal, involving communication. As described in chapter 5.3 (‘Synthesis and evaluation - the dissertation’s overall work process’), the 20 typical constructs associated with the two PAM-corporate involvement means as well as the corresponding attribute areas are reentered into the grounded theory methodology for the purpose of deriving a core category and carrying out axial and selective coding procedures. The participative appreciation mode (PAM) hereby represents the core category retrieved within the reentered grounded theory coding procedure. The following sections demonstrate how the participative appreciation mode (PAM) is derived within grounded theory on the basis of the corporate involvement means AD and CR, the typical t.o.p.GRID constructs associated with them as well as their aggregations in the form of attribute areas.

The two methodological steps of open coding consist of: (1) the conceptualization of data and terminology and (2) the development of categories, which in turn is narrowed down to the grouping of concepts/codes and the retrieval of categories. In reference to the dissertation’s participative appreciation mode, the first step of open coding was carried out through the assigning of typical constructs labeling the AD- and CR-

195 The number of 21 typical PAM-constructs is comprised of the following typical involvement mean constructs: 11 x AD, 10 x CR. However due to one construct overlapping both centroids (i.e. minus one), only 20 typical PAM-constructs are taken into consideration.
centroids within the detected cluster. These typical constructs (t.o.p.GRID) are subsequently reentered as codes into the grounded theory open coding procedures. The development of attribute areas on the basis of clusters of typical corporate involvement mean constructs, finalizes the second step of grounded theory open coding. Consequently, PAM is derived as an aggregation and combination of the existing attribute areas within the cluster of AD and CR centroids. In the succeeding sections, the following grounded theory terms correspond to the subsequent t.o.p.GRID terms: ‘codes’ relate to ‘typical constructs’, ‘categories’ represent ‘attribute areas’ and the term ‘core category’ stands for the ‘corporate involvement mode’ of participative appreciation. The following figure visualizes the development of the participative appreciation mode through the grouping of typical corporate involvement mean constructs and attribute areas around the cluster of AD and CR.
The perceived characteristics and organizational effects of ACM are best described through the following two aggregated PAM Attribute areas: (1) ‘reciprocal, involving, bottom-up, anarchic communication’ and (2) ‘centralized, deterministic, top-down control’.

The first aggregated PAM-attribute area (1) rests on the following two individual attribute areas: bottom-up anarchy (AD) and reciprocal, involving communication (CR). This aggregated attribute area represents the key characteristics of the participative appreciation mode since it includes the majority of associated constructs. The aspect of ‘reciprocal, involving, bottom-up, anarchic communication’ focuses on
corporate involvement behavior allowing and supporting autonomy and space for communication and interaction between SBU managers. This type of interaction can take place in the form of corporate-induced arenas for discourse (AD) or through the combined efforts of corporate and SBU managers resolving an existing conflict (CR). This perspective assumes that corporate managers for the sake of sustainable consensus, creativity, innovative and holistically founded solutions and more highly motivated and empowered employees, grant certain niches free of restraining structure and standardization. Thus, corporate managers permit SBU managers to engage in interactions, which in the dissertation’s data sample are perceived as time-consuming on a short-term basis. However, according to this attribute area, the disadvantage of heavy short-term time consumption is outweighed by the positive, long-term effects of a stable, longer-lasting consensus and a higher participation and integration into the ongoing processes, which in turn leads to a more sustainable support on behalf of SBU employees. This aspect of participative appreciation characterizes both corporate involvement means comprised in PAM. The corporate involvement mean AD assumes that corporate managers provide SBU managers with the opportunity for deliberations, meetings, conferences and other forms of interaction where issues can be discussed, consensus achieved and holistically, well founded solutions established. The dissertation’s concept of corporate conflict resolution assumes that conflicts are resolved on the basis of involving relevant actors in an unstructured communication, focusing on the strategic big picture. This characterization of the participative appreciation mode is expressed among others by constructs such as mutually developed, consensus-oriented, holistically founded, social, unstructured, communicative, involving or together. Since the individual attribute areas have been qualitatively corroborated by interview quotations in the preceding chapters, no further quotation excerpts appear necessary and are therefore omitted at this point.196

The second aggregated PAM-attribute area (2) focuses on the aspect of ‘centralized, deterministic, top-down control’. As opposed to the autocratic control mode this perspective is not associated with the limitation of managerial autonomy and dictatorial corporate involvement behavior at the SBU-level. Instead, arenas for discourse as well as the corporate involvement mean conflict resolution imply

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196 For interview quotations regarding the first aggregated PAM-attribute area in preceding chapters, see: footnote 140 (AD) and footnote 170 (CR).
corporate managers providing platforms for open and semi-structured communication. The aspect of top-down determinism (AD) and centralized, external control (CR) are associated to PAM, since both corporate involvement means rest on corporate managers defining, channeling and centrally controlling the procedural arenas of these open interactions. Hence, within PAM, the aspect of top-down control is linked to the corporate initiation and establishment of arenas for discourse or communicative platforms for the resolution of conflicts. The first aggregated PAM-attribute area depicted above, appears significant in the characterization of this involvement mode, since it considers the actual corporate-SBU interactions within this corporate involvement mode as opposed to the deterministic installation of communication platforms, depicted in the second aggregated PAM-attribute area. Generally, the dissertation’s respondents associate positive effects with the corporate deterministic installation of interaction and communication platforms. This is due to the fact that positive affects of the actual participation and interaction process compensate for the centralistic initiation by corporate managers. This aggregated PAM-attribute area is expressed among others by constructs such as deterministic, channeling, instrumentalized, externally controlled, coordinated or target congruence. In accordance with the attribute area illustrated above, qualitatively supporting interview quotations have been pointed out in previous chapters and are therefore neglected at this point.¹⁹⁷

The labeling of this corporate involvement mode as participative appreciation mode (PAM) primarily rests on the first attribute, which is due to its focus on the actual interactions between corporate and SBU management levels within the AD and CR involvement mean cluster. In contrary, the second aggregated attribute area merely focuses on the corporate procedural approach of initiating these platforms of participation and communication. This argumentation provides the primary reasoning for the identification as participative appreciation mode. On the basis of the dissertation’s grounded theory coding procedure, the participative appreciation mode is conceptualized in the following. *The corporate involvement mode of participative appreciation (PAM) circumscribes actions of corporate managerial involvement at the SBU-level, which on the basis of deterministic, hierarchical authority seek to provide

¹⁹⁷ For interview quotations regarding the second aggregated PAM-attribute area in preceding chapters, see: footnote 141 (AD) and footnote 169 (CR)
Platforms of communication and integration, where SBU managers can liberally participate, interact and discuss for the purpose of making strategic decisions, reaching consensus, resolving conflict and generating mutual, sustainable agreements.

The associated link between the participative appreciation mode and decision speed is analyzed within the t.o.p.GRID globular analysis. The following figure visualizes the relevant cross-section dimensions attained in the dissertation’s data.

As previously described, the corporate involvement means AD and CR comprised in the participative appreciation mode are not significantly associated with fast decision speed. Cross-section dimensions to the FDS-centroid range from 87 to 98 percent. Hence, no commensurate similarity to fast decision speed is attained by either one of the corporate involvement means in the PAM-cluster and predictably PAM is not associated with fast decision speed. This result is supported by the 93 percent average cross-section dimension between the PAM-cluster and the FDS-centroid, which does not allow for the achievement of commensurate similarity. Even though PAM with 93 percent cross-section dimension is perceived nine percentage points closer to FDS than the autocratic control mode, both corporate involvement modes are too remote to

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198 Source: empirical conceptualizations and ATLAS.ti code- and memo-lists of AD and CR
199 The distance between AD and CR in this figure does not correspond to the scaling in the dissertation’s t.o.p.GRID multi-SSA.
attain significant similarity to the FDS-centroid. This result is further supported by the lack of overlapping typical constructs between the participative appreciation mode and fast decision speed. With an average PAM-cross-section dimension of 95 percent, the SDS-centroid is slightly less associated to the PAM-cluster than FDS. Correspondingly, no significant commensurate similarity is attained. This naturally applies to the two corporate involvement means within the PAM-cluster, which range from 86 percent to 104 percent in cross-section dimension to the SDS-centroid. The fact that none of the PAM-centroids are perceived as commensurately similar to SDS, is also supported by the absence of overlapping typical constructs within the t.o.p.GRID funnel selection. The negligible difference in PAM-cross-section dimensions to FDS (93 percent) and SDS (95 percent), can be explained on the basis of respondents’ strong, individual and case-specific associations with arenas for discourse and conflict resolution. In addition, both corporate involvement means are perceived to have differing effects in different sequential phases of their employment: For example, the initial phase, i.e. the establishment of arenas for discourse by corporate deterministic action is commonly perceived as enhancing fast decision speed. However, the second phase of AD, i.e. the rather autonomous, socially oriented phase of interaction is more considerably associated with slowing down decision processes. The speed of strategic decision-making associated with corporate conflict resolution greatly depends on the individual, case-specific setting. In the dissertation’s t.o.p.GRID data, conflict resolution is more commonly associated with slow decision speed (86 percent cross-section dimension) than with fast decision speed (98 percent cross-section dimension). In summary, corporate involvement according to the participative appreciation mode is not significantly linked to fast or slow decision speed.

Within the corporate involvement mode of participative appreciation, arenas for discourse and conflict resolution are perceived as commensurately similar within a 51 percent cross-section dimension. Overlapping typical constructs and related attribute areas corroborate this perceived similarity. Thus, the dissertation’s respondents perceive AD and CR to be interwoven. An example is a process of corporate conflict resolution where the resolution is attained by means of communication and interaction, i.e. by using arenas for discourse. Vice versa, arenas for discourse can incorporate corporate conflict resolutions as means of problem solving.
In summary, the dissertation’s t.o.p.GRID data material neither significantly corroborates an association between PAM and FDS nor between PAM and SDS. The above paragraphs have described how respondents perceive the participative appreciation mode (PAM). The two aggregated attribute areas stated in the following, describe the organizational effects of the corporate involvement mode of participative appreciation within the dissertation’s research sample. (1) Reciprocal, involving, bottom-up, anarchic communication: corporate managers establish platforms of interaction and support autonomy and space for communication between SBU managers in order to achieve sustainable consensus, innovative and holistically founded solutions and increased employee-motivation. (2) Centralized, deterministic, top-down control: corporate managers define, channel and centrally control the procedural establishment of communication and interaction platforms. The aspect of top-down control is linked to the procedural initiation and determination of arenas for discourse or communicative platforms for the resolution of conflicts. In the dissertation, corporate PAM-behavior is generally perceived as enhancing decision speed in the initiation and establishment phase and speed-inhibiting in the actual phase of communication and interaction. According to t.o.p.GRID’s globular analysis, no commensurate similarity between PAM and fast decision speed is observed. Correspondingly, no significant similarity and association is detected between PAM and slow decision speed. These results are further supported by the lack of overlapping typical constructs between PAM and FDS/SDS. The corporate involvement mode PAM is summarized as follows:
In summary, the dissertation’s respondents do not significantly associate the corporate involvement mode of participative appreciation with fast or slow decision speed. Due to high cross-section dimensions, no commensurate similarity between PAM and decision speed (FDS/SDS) is attained and no overlapping typical constructs are retrieved. The marginal difference in perceived causality between fast and slow decision speed originates from the fact that the initial phase is linked to enhancing decision speed, whereas the actual phase of communication and interaction is linked to inhibiting decision speed. PAM is perceived to have the following twofold organizational effects: (1) PAM-actions establish and appreciate free communication and interaction between SBU managers for the purpose of consensus-seeking and conflict resolution. (2) On the basis of hierarchical authority, corporate PAM-behavior deterministically induces, controls and channels platforms for the above type of participation and interaction.

The participative appreciation mode (PAM) as an inductively derived corporate involvement mode comprises the two corporate involvement means arenas for discourse (AD) and conflict resolution (CR). The commensurate similarity between both means of corporate involvement emphasizes the fact that respondents perceive them to be applied in conjunction, affecting the organization in a comparable way. Due to the process of inductively deriving and conceptualizing the concept of PAM from the dissertation’s data, no deductive introduction from or rooting in the field of literature is required. However, the dissertation’s empirical concept of PAM can be linked to relevant fields in the literature. Thereby, the dissertation’s empirical findings on the influence of corporate participative appreciation behavior on decision speed contribute to the ongoing discussion in the field of strategic management. The following sections focus on the relevant literature linking to the corporate involvement mode of participative appreciation.

Various contributions in the field of strategic management literature relate to the topic of participative appreciation. By claiming that participation cannot be developed autocratically, Cherns (1976, 1987) argues that participation is commonly perceived as the contrary to autocratic management styles. Primeaux/Beckley (1999: 123) emphasize this notion by relating both corporate involvement modes to organizational

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200 Also see: Buchanan/Badham (1999)
structure: “The hierarchical organizational structure emphasizes obedience while the participative organizational structure emphasizes cooperation.” Along the same lines, Ehin (1995) argues that the concept of participation and empowerment does not fit to control-based, autocratic and hierarchical management paradigms. Ehin (1995) further describes participation and empowerment as a frame of reference, which incorporates very deep, powerful and intimate values about others such as trust, caring, dignity and the need for constant growth. Korsgaard/Schweiger/Sapienza (1995) propose that participation as ‘member input and influence on a decision’ affects the commitment to the decision as well as the existing trust in a leader. McNulty (1975) refers participation to managerial legitimacy, by arguing that all employees have a vital interest in formulating corporate goals and that managerial legitimacy is therefore democratic and participative rather than autocratic. Singh (1982) also refers to the participative appreciation mode by positioning the democratic and compromiser leadership style as contrary to the autocratic style of leadership. Fairhurst/Green/Courtright (1995) further accentuate the dichotomy between autocratic and participative management behavior by proposing that when autocratic and inertial forces are absent, subordinates assume a more assertive and participative role in communication. Waggott (1985) proposes that in subsidiaries where parental control is low, leaders apply a more persuasive management style, developing personal skills through improving communication and maintaining sufficient relations with colleagues. Ahlbrandt/Leana/Murrell (1992) analyze the effects of employee participation on managerial processes. The authors propose, that participation gives employees high expectations that, if not met, lead to disillusionment and an alienated workforce. Thus, they conclude that participation in combination with top management commitment is critical for firm performance. Richardson (1985) corroborates this perspective by arguing that commitment and involvement of top management is essential for the success of employee participation programs, which in turn are required to maintain a firm’s competitiveness. Hamieson (1973) investigates the effects of the involvement of managers and their participation in decision-making on unit, divisional and corporate performance and concludes that individual participation in appraisal and goal setting is largely superfluous. In contrary, the dissertation’s respondents perceive participation within arenas for discourse or corporate conflict resolution as beneficial for employee motivation and commitment, which in turn has been shown to be a vital factor for firm success (Rajagopalan, 1997).
Shetzer (1993) develops a model of employee participation, which provides the core proposal that organizational complexity is reduced through managers employing cognitive schemes, in which social interactions are categorized. Hence, according to Shetzer (1993), participation leads to creating cognitive maps, which enable individuals to determine their influence in a workplace situation and to respond efficiently to it. As opposed to this perspective, the dissertation’s respondents primarily associate inefficiency, chaos and unstructured decision-making processes with the actual communication processes going on within the PAM corporate involvement mode.

The following section refers the participative appreciation mode to the aggregated patterns of leadership and management styles, paradigms and process models, elaborately outlined in the preceding chapter. PAM relates to the participative management style brought forward by Fairhurst/Green/Courtright (1995), to the democratic and compromiser leadership style according to Singh (1982), to the empowerment management style by Davids (1995) and to the empowerment paradigm according to Ehin (1995). Due to a difference in focus, the dissertation’s participative appreciation mode can neither be linked to Mintzberg’s three modes of strategy-making (1973a, 1978) nor to the four models of strategic decision-making processes presented by Shrivastava/Grant (1985).

Bourgeois/Brodwin (1984) examine five process models in the realm of strategy implementation, which have been illustrated in the preceding chapter dealing with the dissertation’s autocratic control mode. The dissertation’s participative appreciation mode relates to the collaborative model, which focuses on the analysis of multiple inputs to a group decision-making process. This model, in which strategy emerges as a negotiated outcome, assumes top management involvement in the formulation process to secure commitment. According to Bourgeois/Brodwin (1984), the role of the CEO within the collaborative model is that of a ‘co-ordinator’, who employs group dynamics and communication techniques to integrate managers with differing points of view to provide their inputs to the strategic process. Corporate managers seek to extract whatever group-based knowledge is inherent in the participants’ multiple perspectives by structuring the interactions among the decision-makers in such a way that fruitful ideas are encouraged. This concept corresponds strongly to both corporate
involvement means within the participative appreciation mode. The conceptualization of arenas for discourse (AD) assumes that corporate managers provide the structural and procedural platforms for free discussions and interactions among SBU managers to allow for consensus-seeking and the development of innovative solutions. Corporate conflict resolution (CR) presumes that corporate management levels channel and direct SBU-communications for the sake of resolving conflicts. According to Bourgeois/Brodwin (1984) the corporate structuring of group interactions can take a variety of forms such as ‘structured dialectical inquiry’ (Mitroff/Emshoff, 1979) or the involvement of corporate, commander-type analytical tools. The latter aspect refers to the second aggregated PAM-attribute area of centralized, deterministic, top-down control, which describes the resolute establishment of communication platforms by corporate management levels.

According to Bourgeois/Brodwin (1984) the collaborative model overcomes the following two limitations of the commander model. Firstly, by capturing information close to the operational level and by integrating several perspectives, the information accuracy limitation of the commander model (ACM) is overcome. Secondly, participation within the collaborative model creates commitment among the decision-makers and overcomes the motivational problems encountered in the commander model. However, Bourgeois/Brodwin (1984: 249) also point out the following limitation of the collaborative model:

“What the collaborative model gains in team commitment may come at the expense of economic rationality. In this [collaborative] model, strategy is a negotiated outcome among players with different points of view and, possibly, different goals. The ‘ideal’ strategy indicated by commander-type tools may be economically and technically rational, but may not be politically feasible.”

The fundamental point of criticism against the collaborative model, brought forward by Bourgeois/Brodwin (1984) is that it is not a fully collective form of decision-making, since corporate managers and organizational elites at the SBU-level do not give up centralized control. Participation, autonomous negotiation and political bargaining processes therefore lead to inefficiencies, which potentially slow decision-making processes. The latter aspect is was also detected and analyzed in the dissertation’s data material.
Referring to Hart’s integrative framework (1992) and his five modes of strategy-making processes, the dissertation’s corporate involvement mode of participative appreciation relates to the *transactive mode*, in which top managers facilitate an interactive process of strategy formation by empowering and enabling managers on subordinate levels. The key characteristic of Hart’s transactive mode (1992) is that strategies are made on the basis of interaction and learning rather than the execution of predetermined corporate plans (Fiol/Lyles, 1985). Cross-functional communication among organizational members is central to the transactive mode. Strategy-making is iterative and profoundly depends on feedback and learning efforts (Argyris/Schön, 1978). Hence, strategy-making according to the transactive mode, is driven by internal processes and mutual adjustments, in which top managers as ‘facilitators’ empower and enable subordinate managers, who as ‘participants’ are keen on learning and improving. This mode requires the establishment of lateral, cross-functional communication channels and new mechanisms for involving participants in decision-making. The dissertation’s corporate involvement means AD and CR within the PAM-cluster, provide such platforms for cross-functional communication and interactive feedback. In reference to outcome implications, Hart (1992) argues that the transactive mode, due to its emphasis on feedback and learning, is positively associated with two of his study’s performance dimensions, i.e. quality and social responsibility. Since the transactive strategy-making mode combines elements of top management intention and organizational member initiative, organizational skills and capabilities go less underutilized than in the command mode. Top managers within the transactive mode provide a sense of direction and organizational members are active participants in the strategic process. Hart (1992) proposes that the transactive mode is associated with higher levels of overall performance, since it makes better use of organizational skills and resources. The propositions by Hart (1992) and the quantitative results by Hart/Banbury (1994) refer the transactive mode to aspects of decision quality and social responsibility.\(^{201}\) Even though, the transactive mode corresponds to the dissertation’s participative appreciation mode, the link to decision quality differs from the dissertation’s approach of linking corporate involvement to the speed of strategic decision-making at the SBU-level.

\(^{201}\) For a discussion on the concepts of decision speed versus decision quality see: chapter 2.1.4 ('Decision process outcome: the speed of strategic decisions')
Furthermore, the dissertation’s corporate involvement mode of participative appreciation (PAM) is related to the literature of Burgelman (1983a/b, 1985, 1996) and his model of the interaction of strategic behavior, corporate context and the concept of corporate strategy. The participative appreciation mode hereby refers to Burgelman’s concept of *autonomous strategic behavior* since SBU manager at operational- and middle-levels seek to communicate and interact in order to influence the firm’s overall concept of strategy. Hence, autonomous strategic behavior on behalf of SBU managers requires the existence of participation and interaction among them. Burgelman (1983a) refers retroactive rationalization to the process of middle managers convincing top managers of their ideas. In the dissertation’s data material, this aspect links to SBU managers being integrated and allowed to participate in formulating the firm’s strategy. The dissertation’s notion of participative appreciation signifies corporate efforts of encouragement to liberally interact. Within the participative appreciation mode, both corporate involvement means assume autonomous strategic behavior on behalf of SBU management levels and defining and channeling activities on behalf of corporate managers.

In summary, the dissertation’s participative appreciation mode (PAM) refers and contributes to the following pieces of literature, which are depicted in the following table.\(^{202}\)

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\(^{202}\) In order to facilitate a summarizing overview, authors and contributions are listed in the order of presentation within the preceding text and not in alphabetical or chronological order.
<table>
<thead>
<tr>
<th>author(s)</th>
<th>overall typology</th>
<th>link to PAM (and DS)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fairhurst / Green / Courtright (1995)</strong>&lt;br&gt;management style</td>
<td>1. autocratic, 2. participative</td>
<td>➔ Participative management style</td>
</tr>
<tr>
<td><strong>Singh (1982)</strong>&lt;br&gt;leadership style</td>
<td>1. democratic, 2. developer, 3. bureaucratic, 4. autocratic, 5. compromiser, 6. missionary</td>
<td>➔ Democratic and compromiser leadership style</td>
</tr>
<tr>
<td><strong>Davids (1995)</strong>&lt;br&gt;management style</td>
<td>1. military, 2. empowerment</td>
<td>➔ Empowerment management style</td>
</tr>
<tr>
<td><strong>Ehin (1995)</strong>&lt;br&gt;management paradigm</td>
<td>1. control-based, autocratic, hierarchical, 2. empowerment</td>
<td>➔ Empowerment management paradigm</td>
</tr>
<tr>
<td><strong>Bourgeois/Brodwin (1984)</strong>&lt;br&gt;process model of strategy implementation</td>
<td>1. commander, 2. change, 3. collaborative, 4. cultural, 5. crescive</td>
<td>➔ Collaborative model of strategic implementation CM: co-ordinator</td>
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<tr>
<td><strong>Burgelman (1983a/b, 1985, 1996)</strong>&lt;br&gt;strategic behavior</td>
<td>1. induced, 2. autonomous</td>
<td>➔ Autonomous strategic behavior (strategic context)</td>
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</table>

Table 7-2: Relevant fields of literature relating to the dissertation’s PAM

7.1.3 Hybrid mode

The hybrid mode (HYM) is developed around the cluster of commensurately similar corporate involvement means financial incentives (FI), target definition (TD),
corporate process-related involvement (CPI) and HR-/career incentives (CI). The corporate involvement mode HYM is comprised of a total number of 1401 associated t.o.p.GRID constructs, out of which 160 represent constructs overlapping all four centroids. Accumulating the number of typical FI, TD, CPI and CI constructs results in 244 typical constructs associated with HYM. Due to overlapping constructs, this number of combined typical constructs is reduced to 95. Within the individual analysis of corporate involvement means, the typical constructs are further aggregated through the retrieval of attribute areas depicting the perceived organizational effects. The typical t.o.p.GRID constructs of all four corporate involvement means within the HYM-cluster commonly revolve around the following two attribute areas: (1) aligning, structuring, organizing and (2) participating, involving, caring. In addition, FI is comprised of a third attribute area focusing on the aspect of (3) initiating, triggering and the remaining three corporate involvement means TD, CPI and CI have an attribute area in common focusing on objectives, prospects and future goals. As described in chapter 5.3 (‘Synthesis and evaluation - the dissertation’s overall work process’), the 244 typical constructs associated with the four HYM-corporate involvement means as well as the corresponding attribute areas are reentered into the grounded theory methodology for the purpose of deriving a core category and carrying out axial and selective coding procedures. The hybrid corporate involvement mode (HYM) hereby represents the core category and is retrieved on the basis of the grounded theory open and axial coding procedure. Firstly, within open coding, constructs and attribute areas are aggregated. Subsequently, within axial coding the previously described corporate involvement modes ACM and PAM are aggregated and in combination form the hybrid mode of corporate involvement. The following sections demonstrate how the hybrid mode (HYM) is derived within grounded theory on the basis of the corporate involvement means FI, TD, CPI and CI as well as the already retrieved corporate involvement mode ACM and PAM. The first aspect includes the typical t.o.p.GRID constructs associated with the HYM-corporate involvement means as well as their aggregation in the form of attribute areas.

203 The number of 244 typical HYM-constructs is comprised of the following typical involvement mean constructs: 55 x FI, 56 x TD, 68 x CPI, 65 x CI. Due to overlapping constructs, only 95 typical HYM-constructs are taken into consideration.

204 The selected terminology of ‘hybrid’ is justified through the merging of ACM and PAM within the third mode, i.e. the hybrid mode.
With regard to the dissertation’s hybrid mode, the first step of open coding was carried out through the assigning of typical constructs labeling the FI-, TD-, CPI- and CI-centroids within the cluster. These typical constructs (t.o.p.GRID) are subsequently reentered as codes into the grounded theory open coding procedures. The development of attribute areas on the basis of clusters of typical corporate involvement mean constructs, finalizes the second step of grounded theory open coding. Consequently, HYM is derived as an aggregation and combination of the existing attribute areas within the cluster of FI-, TD-, CPI- and CI-centroids. The following figure visualizes the development of the hybrid mode through the grouping of typical corporate involvement mean constructs and attribute areas around the cluster of FI, TD, CPI and CI corporate involvement means.
The perceived characteristics and organizational effects of HYM are best described through the following two aggregated HYM-attribute areas: (1) ‘deterministic aligning, structuring and organizing’ and (2) ‘cooperative participating, involving and caring’.

Figure 7-7: Deriving HYM by aggregating FI, TD, CPI and CI in grounded theory
The first aggregated HYM-attribute area (1) rests on the following two attribute areas associated with individual corporate involvement means: aligning, structuring, organizing (FI, TD, CPI and CI) and objectives, prospects, future goals (TD, CPI, CI). The aspect of ‘deterministic aligning, structuring and organizing’ focuses on corporate involvement behavior autocratically structuring and organizing SBU-processes on the basis of hierarchical, fact-based authority and corporate planning efforts. All four corporate involvement means, i.e. financial incentives (FI), target definition (TD), corporate process-related involvement (CPI) and HR-/career incentives (CI) organize, structure and align SBU-behavior in a corporate-preferred way. By centrally defining incentives, targets and procedural structures and guidelines, corporate managers dictate and align SBU-actions and provide common platforms for achieving corporate-induced outcomes. Hence, similar to the autocratic control mode, this HYM-attribute area assumes that corporate managers deliberately seek to control SBU-performance by authoritatively commanding and directing required SBU-behavior. Corporate involvement means within this cluster are perceived as interwoven and frequently combined, i.e. financial and career incentives, corporate-induced targets as well as process-related structures and guidelines are harmonized and oriented towards an overall corporate goal or vision. This characterization of the hybrid mode is expressed among others by constructs such as clear-cut, fact-based, rule-based, target-oriented, identifying, prospective, directing, dictating, outcome-oriented, coercive, consequential or leadership. Since the individual attribute areas have been qualitatively corroborated by interview quotations in the preceding chapters, no further quotation excerpts appear necessary and are therefore omitted at this point.205

The second aggregated HYM-attribute area (2) focuses on the aspect of cooperative participating, involving and caring and rests on the following attribute areas associated with individual corporate involvement means: participating, involving and caring (FI, TD, CPI, CI) and initiating, triggering (FI). Similarly to the participative appreciation mode, the hybrid mode attribute area assumes that corporate managers for the sake of consensus, innovative and holistically founded solutions and higher motivation among SBU employees, grant certain niches of communication and interaction free of restraining corporate structures. Thus, corporate managers encourage SBU managers

205 For interview quotations regarding the first aggregated HYM-attribute area in preceding chapters, see: footnote 96
to engage in interactions, which aim at involving employees in motivating and dialogue-oriented discussions about aspects of organizational relevance. The corporate definition of targets (TD), the establishment of incentives (FI, CI) as well as procedural guidelines (CPI) require the effective and synergetic coordination of team efforts. For example, corporate targets can only be achieved and incentives realized through mutual commitment, sharing of responsibilities and cooperative involvement of work forces. Hence, this perspective of the hybrid mode assumes that corporate managers provide SBU managers with the opportunity for deliberations, meetings, conferences and other forms of interaction, where issues can be discussed, consensus achieved and holistically, well founded solutions established. This characterization of the hybrid corporate involvement mode strongly links to the notion of the participative appreciation mode and is generally expressed among others by constructs such as enabling, motivating, activating, sharing, appreciative, cooperative, communicative, involving or encouraging. Since the individual attribute areas have been qualitatively corroborated by interview quotations in the preceding chapters, further quotations are omitted at this point.206

Within the axial coding procedure Strauss/Corbin (1998), categories are linked along the lines of their properties and dimensions to form more precise and complete explanations about a phenomenon. In reference to the dissertation, the axial coding procedure is reapplied in the deriving of the hybrid corporate involvement mode on the basis of the autocratic control (ACM) and the participative appreciation mode (PAM). As described in chapter 4.2.2 (‘The general methodological work process of grounded theory’), the work process of axial coding follows the coding paradigm, which systematically gathers and organizes data along a six-step structure, which in the following is outlined and put in context of the dissertation’s hybrid mode:

1. Causal conditions (COND) represent sets of events or happenings that influence the phenomena such as e.g. corporate involvement activities as causal conditions influencing the speed of strategic decision-making at the SBU-level.

2. The phenomenon of observation (PHEN) represents a repeated pattern of happenings, events or actions/interactions, which symbolize what interviewees do in response to the situations in which they find themselves (Strauss/Corbin, 1998).

206 For interview quotations regarding the second aggregated HYM-attribute area in preceding chapters, see: footnote 98
In the retrieval of the hybrid mode, the phenomenon is represented through the corporate involvement modes ACM and PAM.

3. **Contextual conditions** (CNTX) are the specific sets and patterns of conditions that intersect dimensionally to create the set of circumstances to which persons respond through actions/interactions. Contextual conditions explain the background of the phenomena, which with regard to the dissertation is best described through the attribute areas illustrating the perceived organizational effects of the corporate involvement modes (phenomena). The contextual conditions, i.e. the attribute areas simultaneously illustrate the properties and dimensions.

4. **Intervening conditions** (INTV) mitigate or alter the impact of causal conditions on the phenomenon. With regard to the dissertation, the simultaneous application of differing modes of corporate involvement at the SBU-level represents such an intervening condition influencing the effects of the phenomenon.

5. **Strategic actions** are (STRAT) purposeful or deliberate actions and interactions that are taken to resolve a problem or deal with a certain situation and in doing so shape and influence the phenomenon. In reference to the dissertation’s retrieval of the hybrid corporate involvement mode, the strategic action consists of the simultaneous utilization of the two maximally opposed corporate involvement modes ACM and PAM.

6. **Consequences** are the results of strategic actions and interactions, which are taken in response to an issue or a problem or to manage and maintain a certain situation. Outlining these consequences as well as explaining how they change situations and affect the phenomenon in question, provides more complete explanations and therefore ground for the development theory. The fact that the speed of strategic decision-making at the SBU-level is increased by following the strategic action outlined in step five, represents the consequence with regard to this coding paradigm.

On the basis of the opposed corporate involvement modes ACM and PAM, the following figure visualizes the process of retrieving the hybrid mode within the axial coding paradigm.
Both coding paradigms for the above phenomena ACM and PAM can be rephrased into the following working-hypotheses to illustrate the process of iterative theory building, which here leads to the retrieval of the hybrid corporate involvement mode.207

The explicatory hypothesis revolving around the phenomenon of ACM can be stated as follows:

*The autocratic control mode (PHEN), which is applied in an autocratic and patronizing way (CNTX), combined with the maximally different participative appreciation mode (STRAT), which is applied simultaneously by corporate management levels (INTV), enables corporate managers through involvement at the SBU-level (COND) to increase the speed of strategic decision-making at the SBU-level (CONS).*

Correspondingly, the illuminating hypothesis revolving around the phenomenon of participative appreciation (PAM) is stated as follows:
The participative appreciation mode (PHEN), which rests on reciprocal and involving interactions (CNTX), combined with the maximally different autocratic control mode (STRAT), which is applied simultaneously by corporate management levels (INTV), enables corporate managers through involvement at the SBU-level (COND) to increase the speed of strategic decision-making at the SBU-level (CONS).

Through the reentering of the grounded theory axial coding phase in the dissertation, ACM and PAM are interwoven and further aggregated to HYM. Additionally, the theoretical degree of generalization is increased (Strauss, 1987). By applying the coding paradigm, the substantive hybrid corporate involvement mode is derived from the object area (Lamnek, 1995). The following figure visualizes the deriving of the hybrid mode (HYM) on the basis of the overall open and axial coding procedures.

207 The definition of this overly complex hypothesis is solely for illustrative purposes of the iterative process of grounded theorizing and the retrieval of the hybrid mode (HYM). No testing is carried out on the basis of these hypotheses.
Results – aggregated links between corporate involvement and decision speed

Figure 7-9: Deriving HYM on the basis of open and axial coding procedures

The labeling of this corporate involvement mode as hybrid mode (HYM) primarily rests on the simultaneous application of both previously described modes of corporate involvement, i.e. autocratic control and participative appreciation behavior. The retrieval of HYM largely relies on the aggregation and combination of ACM and PAM within the axial coding procedure. Furthermore, HYM is developed from the
aggregation of typical constructs, the four HYM corporate involvement means FI, TD, CPI, CI, their corresponding individual attribute areas as well as the aggregation of them in the form of the aggregated HYM-attribute area. In the latter process, several coding procedures within grounded theory are undergone. For example, the retrieval of typical t.o.p.GRID constructs associated with individual corporate involvement means represents open coding, the aggregation in the form of individual attribute areas is open and axial coding and the retrieval of ACM, PAM and HYM represents axial and selective coding. On the basis of these iterative coding procedures and the aggregated attribute areas, the dissertation’s hybrid corporate involvement mode is conceptualized as follows: ‘The hybrid corporate involvement mode (HYM) circumscribes actions of corporate managerial involvement at the SBU-level, which are comprised of a dichotomous combination of (1) dictating SBU-actions and establishing appropriate guidelines for the achievement of corporate-induced outcomes by centrally defining incentives, targets and procedural structures and (2) achieving consensus, founding group solutions, realizing synchronized group efforts, increasing employee motivation and commitment by providing cooperative and integrative platforms of communication and involvement with opportunities for uninhibited participation, interaction and discussion.’

The associated link between the hybrid mode and decision speed is analyzed within the t.o.p.GRID globular analysis. The following figure visualizes the relevant cross-section dimensions attained in the dissertation’s data.

Source: empirical conceptualizations, ATLAS.ti code- and memo-lists of FI, TD, CPI and CI, individual as well as aggregated attribute areas.
As described in the preceding chapter, all of the corporate involvement means within the hybrid mode, i.e. FI, TD, CPI and CI are significantly associated with fast decision speed. Cross-section dimensions to the FDS-centroid range from 30 to 51 percent. Hence, commensurate similarity to fast decision speed is attained by all of the corporate involvement means in the HYM-cluster and inevitably, HYM is significantly associated with fast decision speed. The 34 percent average cross-section dimension between the HYM-cluster and the FDS-centroid, which allows for the achievement of commensurate similarity, supports this result. In reference to the average mode cross-section dimensions, HYM is perceived 59 percent closer to FDS than the participative appreciation mode (PAM) and 68 percent closer to FDS than the autocratic control mode (ACM). Therefore, HYM represents the only corporate involvement mode in the dissertation, which is significantly associated with FDS. This result is further supported by the existence of overlapping typical constructs between the HYM corporate involvement means (FI, TD, CPI, CI) and fast decision speed, which revolve around the following three topical areas of intersection to FDS: (a) accomplishing clarity / transparently aligning / clear-cut, (b) outcome-oriented / solution-oriented and (c) trusting / enhancing communication / agreeing.

The distances between the corporate involvement means FI, TD, CPI and CI in this figure do not correspond to the scaling in the dissertation’s t.o.p.GRID multi-SSA.
a.) Accomplishing clarity / transparently aligning / clear-cut: All four corporate involvement means within the HYM-cluster are perceived to enhance decision speed at the SBU-level since they make managerial procedures more transparent and reduce frictions and complexity by accomplishing clarity and clear-cut guidelines. Financial incentives (FI) as commonly applicable, predefined and quantifiable sets of rules are perceived to increase organizational transparency, thereby reducing the complexity of interactions and increasing the speed of strategic decision-making. The definition of targets (TD) is perceived to channel SBU-actions towards the achievement of specified corporate goals. Thus, corporate target definition transparently outlines the actions required by the corporate management, which in turn leads to a synchronization and streamlining of SBU-behavior and an increase in SBU-decision speed. Corporate process-related involvement (CPI) consists of corporate-induced procedural guidelines and structures, which provide a sense of orientation and higher clarity of organizational processes, supporting SBU managers to independently coordinate their actions and enhancing their speed of strategic decision-making. HR- / career incentives (CI) accomplish clarity at the SBU-level by defining corporate-desired outcomes in combination with career benefits. This makes SBU employees strive for corporate goals and leads to higher efficiency and commitment of managerial actions at the SBU-level, which in turn is associated with increased decision speed. Since the link between fast decision speed and the individual corporate involvement means within the HYM-cluster has been substantiated by interview quotations in the preceding chapters, further quotation excerpts are omitted at this point.210

b.) Outcome-oriented / solution-oriented: An orientation towards outcomes and solutions provides a set of managerial guidelines, increasing employee motivation and creating an urge among SBU managers to cooperate in order to achieve specified results. According to this reasoning, outcome-oriented interventions by corporate managers are perceived as more legitimate and motivating rather than intruding and interfering. Financial incentives (FI) speed decision-making processes by providing clearly marked objectives and rewards

210 For interview quotations regarding the link between fast decision speed (FDS) and financial incentives (FI), see: footnote 101, target definition (TD), see: footnote 114, corporate process-related involvement (CPI), see: footnote 125, HR- / career incentives (CI), see: footnote 135
for achieving them. The corporate definition of targets speeds up decision-making processes since targets transparently provide ways and directions to act and achieve outcomes and objectives. Process-related corporate involvement (CPI) relies on procedural objectives and desired outcomes while providing SBU employees with managerial autonomy to accomplish the necessary actions for these objectives. The provided managerial autonomy at the SBU-level creates the drive among SBU managers to get organized efficiently in order to achieve pre-defined corporate outcomes. Similarly to corporate process-related involvement, HR- / career incentives (CI) concentrate on corporate-preferred outcomes while providing SBU employees with content-related autonomy to accomplish them. Focusing on outcomes and solutions makes SBU managers strive for corporate-preferred objectives, going along with higher efficiency and motivation, which in turn further enhances the speed of strategic decision-making at the SBU-level.

c.) Trusting / enhancing communication / agreeing: By enhancing communication, achieving agreement and building trust a sense of future direction is given, employees are more willing to rely on each other and cooperatively share responsibilities. Trust in managerial relationships therefore, substitutes coordination and delegation activities, reduces friction and subsequently leads to higher motivation and commitment on behalf of SBU employees. Transparency and continuity of corporate actions increase trust, which requires less corporate control efforts, in turn, allowing faster SBU-decision-making processes. Furthermore, mutual trust leads to more job responsibilities, which stimulates and motivates SBU managers to strive for better performance in a shorter period of time. Financial incentives (FI) provide transparent standards, enhancing communication and incentivizing the creating of consensus among SBU managers. Financial incentives increase trust among organizational members by providing rationality, transparency and continuity as opposed to nepotism and other forms of preferential and political treatment. Trust substitutes coordination and delegation activities and increases the speed of strategic decision-making at the SBU-level. Within the process of target definition (TD), negotiations, bargaining, discussions and other forms of target-related interactions take place between corporate- and SBU-levels. This process of consensus seeking reduces inefficiencies and other obstacles blocking
ongoing management processes and thereby leads to an increase in SBU-decision speed. Corporate process-related involvement (CPI) is associated with content-related autonomy at the SBU-level and corporate trust and confidence in SBU management skills, knowledge and capabilities. Hence, corporate process-related control in combination with content-related freedom leads to trust, higher motivation and commitment, enhancing managerial dedication and fast decision speed. By promoting SBU employees and allocating higher responsibilities and entrepreneurial challenges, HR- / career incentives (CI) provide a source of personal trust and respect, increasing the speed of strategic decision-making at the SBU-level.

The fact that all four corporate involvement means within the HYM-cluster are perceived to significantly enhance decision speed is not due to the existence of only one single attribute area, but due to the fact that all three attribute areas described above, apply simultaneously within each individual HYM-corporate involvement mean.

Cross-section dimensions to the SDS-centroid range from 115 to 131 percent. Hence, commensurate similarity to slow decision speed is not attained by any of the corporate involvement means in the HYM-cluster. With an average cross-section dimension of 124 percent, inevitably the hybrid mode is not significantly associated with slow decision speed. With regard to the average mode cross-section dimensions, HYM is perceived 29 percent farther away from SDS than the participative appreciation mode (PAM) and 42 percent farther away from SDS than the autocratic control mode (ACM). These results emphasize clearly, that no significant commensurate similarity between HYM and SDS is attained. The fact that none of the HYM-centroids are perceived as commensurately similar to SDS is also supported by the absence of overlapping typical constructs within the t.o.p.GRID funnel selection. In summary, the dissertation’s respondents perceive corporate involvement according to the hybrid mode to be (1) significantly linked to fast decision speed and (2) not significantly associated with slow decision speed.

Within the hybrid corporate involvement mode, cross-section dimensions between the individual means of corporate involvement range from six to 29 percent, which
ensures commensurate similarity and a close association between all corporate involvement means within the HYM-cluster. Financial incentives (FI) and target definition (TD) are most closely associated with each other, which is substantiated by a cross-section dimension of six percent and a high overlap and similarity in typical constructs and attribute areas. The dissertation’s respondents perceive FI and TD to be strongly interwoven and applied in conjunction. Obviously, defined targets and the achievement of them represent an integral part of financial incentives. Vice versa, financial incentives provide standards and levels of rewards with regard to target definition. Both corporate involvement means emphasize the motivational side, creating commitment for corporate-required and -preferred actions. With a cross-section dimension of eleven percent, the second closest association within the HYM-cluster is the link between the corporate involvement mean HR- / career incentives (CI) and corporate process-related involvement (CPI). Similarly to the association between FI and TD, this implies that CI and CPI are perceived as interacting. For example, career development paths as part of standardized HR- / career incentive programs can be considered as part of corporate process-related involvement efforts. Vice versa, corporate procedural control in combination with content-related autonomy at the SBU-level represents a characteristic of career incentives. Hence, the high similarity between CI and CPI lies in the fact, that most career incentives are linked to overall process- rather than business-specific, content-related issues and therefore stimulate and motivate SBU employees by offering entrepreneurial opportunities and rewards for corporate-preferred behavior. The associated link between CPI and TD represents the third closest association within the HYM-cluster. With a 19-percent cross-section dimension, CPI and TD are perceived as commensurately similar, which originates from the fact that the respondents’ perceptions of targets are process- rather than content-related. Process-related involvement is associated with corporate control and high SBU-autonomy to independently carry out management activities, which in turn is associated with faster decision-making processes. With a cross-section-dimension of 23 percent the following two pairs of corporate involvement means represent the fourth closest associations within the HYM-cluster. The first pair focuses on the interactions of corporate process-related involvement (CPI) and financial incentives (FI), which goes in line with the above argumentation on the link between CPI and TD. The congruence between these two associations lies in the exceptionally close link between FI and TD.
The second pair concentrates on the link between target definition and HR- / career incentives. The dissertation’s respondents assume that the definition of targets is a vital part of providing SBU employees with incentives and rewards. Frequently, HR- / career incentives are granted on the basis of the fulfillment and achievement of corporate targets and preferred outcomes. The final link within the hybrid mode cluster concentrates on the associated link between HR- / career incentives and financial incentives. All firms in the dissertation’s data sample, integrated general corporate incentives within overall incentive systems or programs. Hence, personnel and career incentives are supplemented by financial incentives and vice versa. As opposed to financial incentives, HR- / career incentives can be quantitative material as well as qualitative symbolic. Within the hybrid corporate involvement mode all four corporate involvement means are perceived as commensurately similar within a 29-percent cross-section dimension. Overlapping typical constructs and related attribute areas corroborate this perceived similarity. Thus, FI, TD, CPI and CI are perceived as closely interwoven and applied by corporate management levels in a combined manner.

In summary, the dissertation’s t.o.p.GRID data material significantly corroborates an association between HYM and FDS. The above paragraphs have described how respondents perceive the hybrid corporate involvement mode (HYM). The following two aggregated attribute areas describe the perceived organizational effects of the hybrid corporate involvement mode within the dissertation’s research sample. (1) Deterministic aligning, structuring and organizing: corporate managers deterministically organize, control and align managerial SBU-processes on the basis of hierarchical authority seeking to establish corporate-preferred outcomes at the SBU-level. (2) Cooperative participating, involving and caring: corporate managers for the sake of consensus, innovative and holistically founded solutions, encourage SBU managers to engage in unrestrained interactions, which aim at involving employees in motivating and dialogue-oriented discussions about aspects of organizational relevance. In the dissertation the application of deterministic corporate authority in combination with involving and caring corporate behavior is perceived to enhance the efficiency of SBU-processes and in turn decision speed. According to t.o.p.GRID’s globular analysis, commensurate similarity and significant association between HYM and fast decision speed can be observed. This result is further supported by the
existence of a broad set of overlapping typical constructs between HYM and FDS, which constitute the two aggregated HYM-attribute areas, described above. The corporate involvement mode HYM is summarized as follows:

**In summary, the dissertation’s respondents significantly associate the hybrid corporate involvement mode with fast decision speed. Commensurate similarity between HYM and FDS is attained on the basis of low cross-section dimensions and a high number of overlapping typical constructs. No commensurate similarity and no overlapping typical constructs are retrieved and therefore no significant causality is established between this corporate involvement mode and slow decision speed. HYM is perceived to have the following combined effects: (1) Within HYM, corporate managers deterministically align, structure and organize SBU-processes on the basis of hierarchical power. (2) Corporate HYM-actions encourage the participation and involvement of SBU managers in unrestrained interactions for the purpose of pooled team efforts, consensus, motivation and holistically founded solutions.**

The hybrid mode (HYM) as an inductively derived corporate involvement mode consists of the four corporate involvement means financial incentives (FI), target definition (TD), corporate process-related involvement (CPI) and HR- / career incentives (CI). HYM is empirically derived and developed on the basis of a simultaneous application of the autocratic control mode (ACM) and the participative appreciation mode (PAM). The attained commensurate similarity between all four means of corporate involvement emphasizes the fact that respondents perceive them to be applied in conjunction, affecting the organization in a comparable way and correspondingly enhancing the speed of strategic decision-making at the SBU-level. Due to the process of inductively deriving and conceptualizing the concept of HYM from the dissertation’s data, no deductive introduction from the field of literature is required. However, the following paragraphs focus on the dissertation’s empirical concept of HYM and its link to relevant fields of literature. Since the hybrid mode is a unique and specific concept of the dissertation, derived from the empirical concepts of ACM and PAM, no literature is found explicitly linking to HYM. The following section points out literature sources, which are comparably similar to HYM or which promote the (hybrid) application of multiple involvement and strategy-making modes.
As described above, due to the unique characterization of the hybrid mode within the dissertation’s empirical data material, only few contributions in the field of strategic management literature relate to the topic of hybrid corporate involvement. In the current scientific debate, most authors and contributions abide by dichotomous conceptualizations, polarizing among others between autocratic versus participative management styles (Fairhurst/Green/Courtright, 1995), military- versus empowerment-style (Davids, 1995), autonomous versus induced strategic behavior (Burgelman, 1983a/b, 1985, 1996) or hierarchical control versus empowerment paradigm (Ehin, 1995). Other authors such as Shrivastava/Grant (1985) or Singh (1982) provide more comprehensive typologies broadening their observation to a higher number of aspects considered. With regard to the literature contributions discussed in the preceding corporate involvement mode chapters, the dissertation’s empirical concept of hybrid mode solely relates to the process models of strategy implementation (Bourgeois/Brodwin, 1984) and to the modes of strategy-making processes brought forward by Hart (1992) and subsequently advanced by Hart/Banbury (1994).

Out of the formerly illustrated five process models of strategy implementation, presented by Bourgeois/Brodwin (1984), the dissertation’s hybrid mode most apparently relates to the change model. The change model observes how organizational structure, incentive compensation, control systems and other forms of administrative and procedural systems are used to facilitate the making and execution of a strategy. According to this model the corporate management level frequently has a strategic direction in mind and seeks ways to carry it into the organization in a successful and expedited way. According to Bourgeois/Brodwin (1984: 246), the role of the CEO within the change model is that of an ‘architect’, who designs “administrative systems to orchestrate implementation and push his inertia-ridden economic unit toward goal achievement.” These attempts go in line with behavioral techniques manipulating organizational members into compliance with corporate strategic directions and plans. According to Bourgeois/Brodwin (1984), the following three sets of techniques are applied within the change model, increasing the probability of successful strategic implementation: (1) the use of structure and staffing to convey the firm’s priorities and focus attention on desired topics, (2) the alteration of systems used for planning, performance measurement and incentive compensation
and (3) the use of cultural adaptation techniques to introduce system-wide change. This threefold conception corresponds to all four corporate involvement means within the hybrid mode. By providing transparent standards for managerial performance and corresponding financial and career-related rewards, the dissertation’s conceptualizations of financial incentives (FI) and HR- / career incentives (CI) refer to the above aspect of performance measuring and incentive compensation systems. The dissertation’s concept of target definition (TD) assumes that corporate managers define and negotiate developments to be achieved in an upcoming time period. By defining targets and requiring commitment in the current time period, corporate managers seek to achieve the accomplishment of their strategies in a future time period. Hence, the dissertation’s corporate involvement mean TD primarily refers to the second aspect of corporate planning systems brought forward by Bourgeois/Brodwin (1984). Furthermore, target definition due to its interactive and negotiable character refers to the third aspect of cultural adaptation, which according to Bourgeois/Brodwin (1984: 247) relies on identifying “ways in which the executive’s actions have strong symbolic force in conveying to employees a sense of desired behavior.” This aspect of cultural adaptation, in turn links to the aggregated HYM-attribute area of ‘cooperative participating, involving and caring’, which applies to all four corporate involvement means within the cluster. By focusing on corporate procedural interventions, corporate process-related involvement (CPI) primarily relates to the first aspect presented above, i.e. the use of structure to convey the intended corporate strategic direction. According to Bourgeois/Brodwin (1984) altering the structure of the organization in order to lead the firm in the corporate-preferred direction, represents a vital tool for strategy implementation. However, the dissertation’s concept of CPI also goes along with the third aspect of cultural adaptation since CPI assumes a vast amount of content-related autonomy at the SBU-level allowing the building of communities among SBU-decision-makers.

According to Bourgeois/Brodwin (1984: 247) the following limitations of the change model are pointed out:

“By manipulating the systems and structures of the organizations in support of a particular strategy, the general manager may be trading off important strategic flexibility. Some of these systems, particularly incentive compensation, take a long time to become effective. Should an unforeseen change require a
redirection of the strategy, it may be very difficult to change the firm’s course, since all the ‘levers’ controlling the firm have been set firmly in support of the now-obsolete game plan.”

Hence, the fundamental point of criticism against the change model, brought forward by Bourgeois/Brodwin (1984) is that it does not allow managers to respond fast enough in the dealing with dynamic changes. In contrary, the dissertation’s findings suggest, that corporate involvement according to the hybrid mode comprises the appropriate assortment of deterministic structure and control, as well as cooperative participation and involvement, in turn allowing flexible and fast decision-making processes at the SBU-level.

Referring to Hart’s integrative framework (1992) and his five modes of strategy-making processes, none of the remaining three modes, i.e. symbolic, rational and generative congruently relate to the specific characteristics of the dissertation’s hybrid mode. The generative mode assumes strategies to be predominantly driven by the initiative of organizational actors making corporate involvement redundant. By solely focusing on aspects of motivation and inspiration, the symbolic mode fails to include the corporate procedural and structural influence of the dissertation’s hybrid mode. Even though the rational mode falls short of considering the cooperative, participation, involvement and caring side of hybrid corporate involvement activities, it presents the only one of Hart’s strategy-making process modes, which relates to the structural and systems-side of the dissertation’s hybrid mode. Within the rational mode, in which formal planning systems and hierarchical relationships predominate, strategy-making is seen as the carrying out of plans produced through analysis and systematic procedure. Corporate managers determine the firm’s strategic direction through a formal planning process, which involves highly structured organizational member involvement. This perspective of structural and procedural corporate influence specifically relates to the dissertation’s corporate process-related involvement mean. Strategy-making according to Hart’s rational mode (1992) is driven by formal structure and planning systems, in which top managers as ‘bosses’ evaluate and control SBU managers, who as ‘subordinates’ follow the system. This mode generally assumes that corporate management monitors and controls the activities of subordinates who are held accountable for performance benchmarked
against a given plan or system. Through institutionalized processes and formal systems, organizational members are induced to behave in corporate-desired ways.

All four of the dissertation’s corporate involvement means within the HYM-cluster provide such procedural structures and systems by which corporate managers seek to influence SBU-levels. In reference to outcome implications, Hart (1992) argues that the rational mode, due to its emphasis on formal planning and control systems, is positively associated with current profitability and growth/share. Since the rational strategy-making mode combines elements of top management intention and organizational member initiative, organizational skills and capabilities go less underutilized than in the command mode. Corporate managers within the rational mode provide a sense of direction through procedural and structural means and organizational members are integrated in the strategic process. Hart (1992) proposes that the rational mode is associated with higher levels of overall performance, since it makes better use of organizational skills and resources. Despite the link between the dissertation’s HYM and the rational mode with regard to procedural and structural corporate influences, no complete congruence between them is attained. As pointed out before, this is primarily due to the rational mode neglecting the second aggregated HYM-attribute area dealing with aspects of cooperative participating, involving and caring.

Despite the focus on individual strategy-making modes and their relatedness to the dissertation’s concept of HYM, the contributions by Hart (1992) and Hart/Banbury (1994) further emphasize the importance and impact of linking and combining strategy-making process modes. This finding is particularly vital in light of the dissertation’s empirical retrieval of HYM on the basis of the integration of ACM and PAM. Thus, both authors develop research propositions suggesting relationships among the strategy-making modes and observed dimensions of firm performance. With regard to the outcome figure observed, the focal point of the dissertation lies on the outcome decision speed at the SBU-level as opposed to Hart/Banbury’s (1994) three-level performance conceptualization as (a) financial performance, (b) business performance and (c) organizational effectiveness. These three performance conceptualizations are accordingly divided into the following five performance...
dimensions: (1a) current profitability, (2b) growth/share, (3b) future positioning, (4c) quality and (5c) social responsiveness.211

Despite these differences in outcome-orientations, general beneficial conclusions can be drawn from Hart’s (1992) and Hart/Banbury’s (1994) recommendations of linking various individual strategy-making modes. A vast amount of literature has identified the independent effects of individual strategy-making modes, process models or management styles. However, most literature contributions fall short of indicating which combinations of modes work especially well (Hambrick, 1984). Miller/Friesen (1984) propose conceptualizing firms as possessing combinations of styles and processes, i.e. blending individual modes into distinctive strategy-making gestalts. Hart/Quinn (1993) develop a model of four competing executive leadership roles and suggest that CEOs with high ‘behavioral complexity’, i.e. having the ability to play multiple, competing roles, produce the best firm performance. But also other authors have called for a more integrative combination of strategy-making modes, e.g. sequentially (Allison, 1971) or simultaneously (Mintzberg, 1973a). Hart (1992: 345) proposes that firms combining several modes, thereby developing multi-process capabilities, are more likely to perform well than firms solely focusing on one process mode:212

“Any single mode by itself may suffer from limitations and biases; combining the different logics associated with the five modes may hold the potential for fewer blind spots and improved performance.”

Hart’s (1992) proposition implies that the greater the firm’s strategy-making capabilities within each mode and the greater the number of strategy-making modes it combines, the higher its performance is according to the five dimensions outlined above. Hart (1992) further suggests that a combination of discrepant, i.e. distant or even opposing modes is associated with higher performance achievements. Vice versa, a combination of similar modes is associated with lower performance achievements. This line of argumentation is supported by the paradox perspective on organizational effectiveness, assuming that high performance requires a balancing and simultaneous dealing with contradictory or paradoxical capabilities (e.g. Bourgeois/Eisenhardt,

211 The letter within brackets refers the performance dimension to the group of performance conceptualizations depicted before.

212 Also see: Prahalad/Bettis, 1986
1988; Quinn, 1988; Quinn/Cameron, 1988). Despite the difference in outcome conceptualizations, Hart’s conclusion (1992) yields strong support for the dissertation’s finding that a hybrid combination of the maximally different autocratic control and participative appreciation mode has a strong positive perceived effect on the speed of strategic decision-making. Thus, the dissertation’s hybrid mode parallels a combination of discrepant corporate involvement modes, positively affecting decision speed as compared to Hart’s performance conceptualization. Hart/Banbury (1994: 265) quantitatively test and corroborate the propositions previously defined by Hart (1992) and conclude:

“The more firms in the study were able to develop competence in multiple modes of strategy-making process, the higher their performance. Indeed, the best performing firms combined high levels of skill in all five of the strategy-making modes defined by Hart (1992). These firms were simultaneously planful and incremental, directive and participative, controlling and empowering.”

On the basis of the two aggregated HYM-attribute areas, the dissertation’s parallel continuation of the above quotation would read as follows: “(...) simultaneously deterministically aligning, structuring, organizing and cooperatively participating, involving, caring”. In summary, the dissertation’s hybrid mode (HYM) refers and contributes to the following sources of literature, which are depicted in the following table.213

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<tr>
<th>author(s)</th>
<th>overall typology</th>
<th>link to HYM (and DS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hart (1992) &amp; Hart/Banbury (1994) mode of strategy-making process</td>
<td>1. command, 2. symbolic, 3. rational, 4. transactive, 5. generative</td>
<td>➔Partially referable to rational mode: systems ➔Specific link to hybrid and discrepant combination of modes</td>
</tr>
</tbody>
</table>

Table 7-3: Relevant fields of literature relating to the dissertation’s HYM

213 Authors and contributions are listed in the order of presentation within the preceding text.
7.2 Towards a theoretical model of corporate involvement and decision speed

The dissertation’s research question explores how and why corporate involvement at the SBU-level affects the speed of strategic decision-making. In chapter 6 (‘Results – individual links between corporate involvement and decision speed’) the ‘how-part’ of the research question is partially answered by inductively deriving nine corporate involvement means and evaluating their individual links to fast and slow decision speed. In chapter 7.1 (‘Corporate involvement modes and their impact on decision speed’) the remaining ‘how-part’ of the research question is dealt with by aggregating the nine corporate involvement means into three corporate involvement modes and correspondingly analyzing their effects on the speed of strategic decision-making. Subsequent to the detailed description of the retrieved means and modes of corporate involvement and the analysis and evaluation of their effects on decision speed, the following section concentrates on the ‘why-part’ of the research question, i.e. on the question why certain means and modes of corporate involvement at the SBU-level affect the speed of strategic decision-making. This process of theory building is closely linked to the three corporate involvement modes derived in the preceding chapters and therefore, revolves around the following three theoretical building blocks as determinants of decision speed: (1) control, (2) compassion and (3) commitment. Corporate involvement means and modes have described how corporate managers act and behave with regard to influencing SBU management levels and how this is perceived to affect the speed of strategic decision-making. On the basis of these ‘how’-findings, the three theoretical building blocks, circumscribe the effects of corporate involvement behavior at the SBU-level and explain why they affect decision speed in a specific way. The following figure visualizes the ‘how’ and ‘why’ part of the dissertation’s research question.
Figure 7-11: How and why part of the dissertation’s research question

The following two sentences provide an example for the case of the hybrid mode and illustrate the figure’s line of argumentation. The first sentence refers to the ‘how-part’: “Corporate managers influencing SBU-levels through financial incentives, target definition, corporate process-related involvement, HR-/career incentives or generally a combination of autocratic control and participative appreciation behavior, positively affect the speed of strategic decision-making at the SBU-level.” The second sentence illustrates the why-aspect: “Hybrid corporate involvement behavior comprises corporate deterministic as well as participative actions, which mobilize and motivate SBU employees and therefore lead to commitment, which in turn enhances the speed of strategic decision-making at the SBU-level.” Evidently, both parts of the research question are interwoven throughout the dissertation’s process of analysis. For example, the retrieval of individual and aggregated attribute areas, illustrating the perceived organizational effects of a corporate involvement mean or mode, strongly assisted in deriving the three theoretical decision speed determinants depicted above. Hence, the definition of the three building blocks as decision speed determinants allows narrowing down the high number of perceived organizational effects and corporate involvement attribute areas to a single, topical rationale proposing an explanation for a specific effect on SBU-decision speed.

Control as a theoretical building block, is derived on the basis of the three corporate involvement means CE, SN and CCI comprised in the corporate involvement mode of
autocratic control (ACM). All three corporate involvement means within the ACM-cluster are characterized by control-related attribute areas and associated with the organizational effects of control: coercive enforcement refers to the aspect of ‘authoritarian control’; sanctioning relates to ‘distant control’ and corporate content-related involvement emphasizes ‘autocratic, patronizing control’. The autocratic control mode combines and aggregates these perceived organizational effects within the aggregated ACM-attribute area of ‘authoritarian, distant, autocratic and patronizing control’. The aspect of control derived in the dissertation refers to SBU managers experiencing a form of corporate constraint and confinement, causing them to not significantly enhance their speed of decision-making.\textsuperscript{214} The following figure visualizes the aspect of control on the basis of the corporate involvement means CE, SN, CCI and the corporate involvement mode of autocratic control and illustrates that corporate involvement solely relying on control does not lead to fast decision speed at the SBU-level.

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{control_diagram.png}
\caption{Control as a theoretical building block affecting decision speed}
\end{figure}

\textsuperscript{214} Due to the absence of significant associations and links between corporate involvement and slow decision speed (SDS) and the dissertation’s emphasis on corporate involvement activities increasing SBU-decision speed (FDS), the following sections exclusively focus on FDS as fast decision speed and $\overline{FDS}$ (i.e. not-FDS) as not fast decision speed.
On the basis of the three ACM-corporate involvement means, the following catalog of grounded theory interview statements encapsulates the effects the dissertation’s respondents associate with being exclusively influenced by control-inducing corporate involvement behavior, i.e. corporate efforts of exerting pressure, autocratically commanding, enforcing and determining corporate-preferred outcomes at the SBU-level:\textsuperscript{215}

- \textit{Coercive enforcement (CE)}: demotivation, overpowerment, constriction, limitation, political inhibition, distrust, frustration, elimination of managerial challenges and chances to influence the firm, undermining of credibility and political resistance.

- \textit{Sanctioning (SN)}: demotivation, frustration, sense of punishment and admonishment, impediments, public embarrassment for mistakes and failures, increased inefficiencies and barriers of communication.

- \textit{Corporate content-related involvement (CCI)}: discouragement, resistance, over-specified and inefficient processes, feeling of being shut out, repressed and held back.

Consequently, control-inducing corporate involvement behavior in the form of CE, SN, CCI or generally ACM is perceived to lead to the above implications and effects at the SBU-level, which in turn substantiates why SBU-decision speed is not fast or significantly enhanced within this type of corporate involvement.\textsuperscript{216} This underlying reasoning leads to the following propositions:

\textbf{Proposition 1a:} \textit{Corporate involvement behavior solely focusing on coercive enforcement (CE), sanctioning (SN), content-related involvement (CCI) or in general terms an autocratic control mode of corporate involvement (ACM) will lead to a perception of constriction and control at the SBU-level.}

\textsuperscript{215} See empirical conceptualization of the autocratic control mode (ACM): chapter 7.1.1 (‘Autocratic control mode’)

The succeeding catalog of control effects is based on the following sources: ATLAS.ti interview transcripts, code- and memo-lists

\textsuperscript{216} For interview quotations depicting the effects of control-related corporate involvement and illustrating why SBU-decision speed is not fast, see: footnote 159 (CE), footnote 166 (SN), footnote 181 (CCI)
**Proposition 1b:** SBU managers predominantly experiencing control due to corporate involvement behavior will not have a fast speed of strategic decision-making (FDS).

Compassion as a theoretical building block, is derived on the basis of the two corporate involvement means AD and CR comprised in the corporate involvement mode of participative appreciation (PAM). Both corporate involvement means within the PAM-cluster are characterized by attribute areas relating to compassion and associated with the organizational effects of care and consideration towards managers at the SBU-level. Arenas for discourse relate to the aspect of ‘bottom-up anarchy’. Corporate conflict resolution emphasizes the aspect of ‘reciprocal, involving communication’. The participative appreciation mode combines and aggregates these perceived organizational effects within the aggregated PAM-attribute area of ‘reciprocal, involving, bottom-up, anarchic communication’. The aspect of compassion derived in the dissertation, refers to SBU managers experiencing a form of corporate care, contemplation, consideration and generally a dominating concern for higher integration of SBU management levels. For reasons outlined in the following, this leads to SBU managers not having fast decision-making processes. The following figure visualizes the aspect of compassion on the basis of the corporate involvement means AD and CR and the corporate involvement mode of participative appreciation and illustrates that corporate involvement solely leading to compassion does not lead to fast decision speed at the SBU-level.
On the basis of the three PAM-corporate involvement means, the following catalog of grounded theory interview statements encapsulates the effects the dissertation’s respondents associate with being exclusively influenced by compassion-inducing corporate involvement behavior, i.e. corporate efforts seeking to provide platforms of communication and integration, where SBU managers can liberally participate, interact and discuss for the purpose of making strategic decisions, reaching consensus, resolving conflict and generating mutual, sustainable agreements:\(^{217}\)

- **Arenas for discourse (AD):** over-exceeding number of participants, inhibiting political resistance and inefficiency, delaying obstructions and group dynamics, change-resistance, discouragement, self-importance and political games.
- **Conflict resolution (CR):** deprivation, decreased managerial flexibility, reduced independence and autonomy, decreased entrepreneurial commitment, demotivation, high dependability on others, tedious and lengthy discussions

\(^{217}\) See empirical conceptualization of the participative appreciation mode (PAM): chapter 7.1.2 (‘Participative appreciation mode’)

The succeeding catalog of compassion effects is based on the following sources: ATLAS.ti interview transcripts, code- and memo-lists.
Consequently, compassion-inducing corporate involvement behavior in the form of AD and CR or generally PAM is perceived to lead to the above implications and effects at the SBU-level, which in turn substantiates why SBU-decision speed is not fast within this type of corporate involvement.\textsuperscript{218} This underlying reasoning leads to the following propositions:

\textbf{Proposition 2a:} Corporate involvement behavior solely focusing on arenas for discourse (AD) and conflict resolution (CR) or in general terms a participative appreciation mode of corporate involvement (PAM) will lead to a perception of compassion at the SBU-level.

\textbf{Proposition 2b:} SBU managers predominantly experiencing compassion due to corporate involvement behavior will not have a fast speed of strategic decision-making (FDS).

\textit{Commitment} as a theoretical building block, is derived on the basis of the four corporate involvement means FI, TD, CPI and CI comprised in the hybrid corporate involvement mode (HYM), which in turn is based on a combination of the autocratic control mode (ACM) and the participative appreciation mode (PAM). Therefore, the building block of commitment represents a combination of the aspects of control and compassion, caused by ACM and PAM respectively. All four corporate involvement means within the HYM-cluster are characterized by attribute areas relating to a combination of control and compassion. That is, FI, TD, CPI and CI refer to the aspect of ‘aligning, structuring and organizing’ (control) as well as to the aspect of ‘participating involving and caring’ (compassion). Hence, all four corporate involvement means within the hybrid mode are associated with the combined and intermingled organizational effects of corporate constricting control and caring compassion. The hybrid corporate involvement mode combines and aggregates these perceived organizational effects within the following two aggregated HYM-attribute areas: (1) ‘deterministic aligning, structuring and organizing’, representing the aspect of control and (2) ‘cooperative participating, involving and caring’, representing the

\textsuperscript{218} For interview quotations depicting the effects of compassion-related corporate involvement and illustrating why SBU-decision speed is not fast, see: footnote 147 (AD) and footnote 175 (CR)
aspect of compassion. Thus, the concept of commitment derived in the dissertation, refers to SBU managers experiencing a combination of control and compassion, which leads to commitment and disciplined dedication at the SBU-level. For reasons illustrated subsequently, the existence of commitment at the SBU-level leads to fast SBU-decision-making processes. The following figure visualizes the aspect of commitment on the basis of control and compassion, the corporate involvement means FI, TD, CPI and CI and the hybrid mode of corporate involvement. It further illustrates that corporate involvement relying on a combination of autocratic control and participative appreciation mutually combining control and compassion leads to SBU-commitment, which in turn leads to fast decision speed at the SBU-level.
On the basis of the four HYM-corporate involvement means, the following catalog encapsulates the effects the dissertation’s respondents associate with commitment-inducing corporate involvement behavior, i.e. corporate efforts comprising a dichotomous combination of (1) dictating and establishing appropriate guidelines for the achievement of corporate-induced outcomes by centrally defining incentives, targets and procedural structures and (2) achieving consensus, founding group solutions, realizing synchronized group efforts, increasing employee motivation and commitment by providing cooperative and integrative platforms of communication.
and involvement with opportunities for uninhibited participation, interaction and discussion.\textsuperscript{219}

- **Financial incentives (FI):** motivation, stimulation, transparency, rationality, sense of orientation and direction, clarity, general applicability, reduced friction and complexity, flexibility, common language, group coherence, mutual cooperation, trust and reliability, pressure for communication and consensus, initiative.

- **Target definition (TD):** explicitness, transparency, clarity, channeling of communication, synchronization and streamlining of actions, legitimization, mutual coordination, pressure for contribution and consensus, anticipation, sense of commitment and direction.

- **Corporate process-related involvement (CPI):** transparency, clarity, entrepreneurial flexibility and freedom, autonomy and space for opportunities and challenges, motivation, corporate control, motivation and commitment, trust and confidence, managerial dedication, synchronization and creativity, sense of orientation and efficiency.

- **HR-/career incentives (CI):** motivation and stimulation, transparency, clarity, general applicability and efficiency, entrepreneurial opportunities and challenges, responsibility, sense of commitment and accomplishment, trust and respect, confidence in managerial actions.

Consequently, commitment-inducing corporate involvement behavior in the form of FI, TD, CPI and CI or generally HYM is perceived to lead to the above implications and effects at the SBU-level, which in turn substantiates why SBU-decision speed is fast within this type of corporate involvement.\textsuperscript{220} This underlying reasoning leads to the following propositions:

\textsuperscript{219} See empirical conceptualization of the hybrid corporate involvement mode (HYM): chapter 7.1.3 (‘Hybrid mode’)

The succeeding catalog of commitment effects is based on the following sources: ATLAS.ti interview transcripts, code- and memo-lists

\textsuperscript{220} For interview quotations depicting the effects of commitment-inducing corporate involvement behavior and illustrating why SBU-decision speed is fast, see: footnotes 101 – 107 and (FI), footnote: 114 - 117 (TD), footnote 125 – 127 (CPI), footnote 135 – 137 (CI).
Proposition 3a: Corporate involvement behavior focusing on financial incentives (FI), target definition (TD), process-related involvement (CPI) and HR-/career incentives (CI) or in general terms a hybrid mode of corporate involvement (HYM) based on a combination of autocratic control (ACM) and participative appreciation (PAM) will lead to a perception of commitment at the SBU-level.

Proposition 3b: SBU managers experiencing commitment as a combination of control and compassion due to corporate involvement behavior will have a fast speed of strategic decision-making (FDS).

The following interview quotation from the dissertation’s grounded theory data material embodies and emphasizes the above propositions with regard to top-down and bottom-up managerial behavior.221

“The overall corporate direction has to be transparent and generally recognized and everybody has to back it. And once everybody knows what the direction is, it is important that it’s not either completely top-down or completely bottom-up, but a combination and mixture of the two – across several management levels. Strongly bottom-up is driven by the potential and perspective of the business units – to mutually achieve something creative and together. But at the same time, to make sure you have the big-picture – to have the whole thing under control. So it basically comes down to control and seeing the big picture while simultaneously be strongly driven by bottom-up participation.”

The above figure 7-17 (‘A theoretical model of corporate involvement and decision speed – commitment as a determinant of decision speed’) has depicted the interconnectedness of corporate involvement means and modes, the specific perceptions and outcomes at the SBU-level caused by corporate involvement behavior and the overall effects thereof on the speed of strategic decision-making at the SBU-

221 Source: dissertation data; interview 2, line 707 – 713. For another quotation qualitatively supporting the above propositions, see: footnote 123
level. Along the lines of the above propositions, the following figure illustrates the overall reasoning and interpretation of the mid-range theoretical model derived from the dissertation’s data material. The Y-axis hereby depicts fast versus not-fast SBU-decision speed. The X-axis illustrates the aggregation, categorization and interaction of corporate involvement means and modes. Furthermore, it represents how various types of corporate involvement behavior lead to the perception of control, commitment and compassion at the SBU-level and how these SBU-perceptions impact on the speed of strategic decision-making.

Figure 7-15: The ‘4Cs’ - synthesis of the theoretical model of corporate involvement and decision speed
The dissertation’s mid-range theoretical model is labeled as the 4C-model, since the achievement of fast decision speed (FDS) depends on the existence of four Cs, i.e. Commitment as a Combination of Control and Compassion. In contrary, the existence of either only Control or only Compassion does not lead to fast decision speed, which is referred to as the 2C-set-up. The following two general propositions recapitulate the dissertation’s key finding:

**Proposition G:** SBU-Commitment as a Combination of Control and Compassion leads to fast decision speed at the SBU-level (4C $\rightarrow$ FDS).

**Proposition $\overline{G}$:** SBUs predominantly experiencing either Control or Compassion do not have a fast speed of strategic decision-making (2C $\rightarrow$ $\overline{FDS}$).

### 7.3 Summary and discussion

Chapter 7 (‘Results – aggregated links between corporate involvement and decision speed’) presented and discussed the key findings of the dissertation with regard to the concept of decision speed and various forms of corporate involvement behavior. In a first step, the aggregation and interaction of nine individual corporate involvement means in the form of three comprehensive corporate involvement modes ACM, PAM and HYM was depicted. In a second step, the impact of the corporate involvement modes on managers at the SBU-level and in turn on their speed of strategic decision-making was analyzed and evaluated. The following three perceived effects of corporate involvement at the SBU-level, i.e. control, compassion and commitment were detected, isolated and subsequently referred to the dissertation’s concept of decision speed. The following paragraphs recapitulate for each corporate involvement mode the conceptualization derived from the empirical data material, its perceived organizational effects at the SBU-level as well as its perceived link to the speed of strategic decision-making.

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222 For the purpose of condensing the dissertation’s findings and providing a distinct overview, proposition 3b is reworded and depicted here as proposition G (general).
The autocratic control mode (ACM) is developed on the basis of the corporate involvement means coercive enforcement (CE), sanctioning (SN) and corporate content-related involvement (CCI). It is characterized by the aspects of (1) authoritarian, distant, autocratic, patronizing control and (2) overpowering, uncreative adaptation and reduced managerial autonomy, which lead to the experience of corporate control and constriction at the SBU-level. The dissertation’s findings propose that strategic business units predominantly experiencing control will not have a fast speed of strategic decision-making. The following figure summarizes the key findings revolving around the corporate involvement mode of autocratic control and the theoretical building block of control.
**Autocratic control mode (ACM)**

*Empirical conceptualization / definition*

Corporate managerial actions, which on the basis of centralized authority and hierarchical power seek to control SBU-behavior and processes by exerting pressure, autocratically commanding, enforcing and determining corporate-preferred outcomes and thereby aiming for complete adaptation of corporate-induced strategic contents at the SBU-level.

**Corporate involvement means within ACM-cluster**

- Coercive enforcement (CE)
- Sanctioning (SN)
- Corporate content-related involvement (CCI)

**Aggregated ACM attribute area**

1. Authoritarian, distant, autocratic, patronizing control
2. Overpowering, uncreative adaptation and reduced managerial autonomy

**ACM leads to SBU-experience of:**

**CONTROL**

**CONTROL is associated with:**

- Demotivation, constriction (CE)
- Frustration, increased inefficiency (SN)
- Discouragement and resistance (CCI)

**Average cross-section dimension:**

- ACM – FDS: 102 percent
- ACM – SDS: 82 percent

**Attribute area of intersection to FDS**

n.a.

**Propositions**

1a: Corporate involvement behavior solely focusing on coercive enforcement (CE), sanctioning (SN), content-related involvement (CCI) or in general terms an autocratic control mode of corporate involvement (ACM) will lead to a perception of constriction and control at the SBU-level.

1b: SBU managers predominantly experiencing control due to corporate involvement behavior will not have a fast speed of strategic decision-making ($FDS$).

Table 7-4: ACM and control – conceptualization, effects and fast decision speed

The participative appreciation mode (PAM) is developed on the basis of the corporate involvement means arenas for discourse (AD) and conflict resolution (CR). It is characterized by the aspects of (1) reciprocal, involving, bottom-up, anarchic communication and (2) centralized, deterministic, top-down control, which lead to the experience of compassion and corporate caring at the SBU-level. The dissertation’s findings propose that strategic business units predominantly experiencing compassion will not have a fast speed of strategic decision-making. The following figure
summarizes the key findings revolving around the corporate involvement mode of participative appreciation and the theoretical building block of compassion.

### Participative appreciation mode (PAM)

**Empirical conceptualization / definition**

Actions of corporate managerial involvement at the SBU-level, which on the basis of deterministic, hierarchical authority seek to provide platforms of communication and integration, where SBU managers can liberally participate, interact and discuss for the purpose of making strategic decisions, reaching consensus, resolving conflict and generating mutual, sustainable agreements.

#### Corporate involvement means within PAM-cluster

- Arenas for discourse (AD)
- Conflict resolution (CR)

#### Aggregated PAM attribute area

1. Reciprocal, involving, bottom-up, anarchic communication
2. Centralized, deterministic, top-down control

#### PAM leads to SBU-experience of:

**COMPASSION**

**COMPASSION is associated with:**

- Political resistance, group dynamics (AD)
- Reduced autonomy, dependability (CR)

#### Average cross-section dimension:

- PAM – FDS: 93 percent
- PAM – SDS: 95 percent

#### Attribute area of intersection to FDS

n.a.

#### Propositions

2a: Corporate involvement behavior solely focusing on arenas for discourse (AD) and conflict resolution (CR) or in general terms a participative appreciation mode of corporate involvement (PAM) will lead to a perception of compassion at the SBU-level.

2b: SBU managers predominantly experiencing compassion due to corporate involvement behavior will not have a fast speed of strategic decision-making ($FDS$).

Table 7-5: PAM and compassion – conceptualization, effects and fast decision speed

The hybrid corporate involvement mode (HYM) is developed on the basis of the preceding two modes as well as the corporate involvement means financial incentives (FI), target definition (TD), corporate process-related involvement (CPI) and HR- / career incentives (CI). It is characterized by the aspects of (1) deterministic aligning, structuring and organizing and (2) cooperative participating, involving and caring,
which results in SBU managers experiencing commitment as a combination of control and compassion. The dissertation’s findings propose that strategic business units experiencing commitment as a combination of control and compassion will have a fast speed of strategic decision-making. The following figure summarizes the key findings revolving around the hybrid corporate involvement mode and the theoretical building block of commitment.
### Hybrid mode (HYM)

**Empirical conceptualization / definition**

Actions of corporate managerial involvement at the SBU-level, which are comprised of a dichotomous combination of (1) dictating SBU-actions and establishing appropriate guidelines for the achievement of corporate-induced outcomes by centrally defining incentives, targets and procedural structures and (2) achieving consensus, founding group solutions, realizing synchronized group efforts, increasing employee motivation and commitment by providing cooperative and integrative platforms of communication and involvement with opportunities for uninhibited participation, interaction and discussion.

**Corporate involvement means within HYM-cluster**

- Financial incentives (FI)
- Target definition (TD)
- Corporate process-related involvement (CPI)
- HR- / career incentives (CI)

**Aggregated HYM attribute area**

1. Deterministic aligning, structuring and organizing
2. Cooperative participating, involving and caring

**HYM leads to SBU-experience of:**

**COMMITMENT**

**COMMITMENT is associated with:**

- Transparency, trust and reliability (FI)
- Explicitness and consensus (TD)
- Flexibility and dedication (CPI)
- Commitment and confidence (CI)

**Average cross-section dimension:**

- HYM – FDS: 34 percent
- HYM – SDS: 124 percent

**Attribute area of intersection to FDS**

a. Accomplishing clarity / transparently aligning / clear-cut:
b. Outcome-oriented / solution-oriented
c. Trusting / enhancing communication / agreeing

### Propositions

**3a:** Corporate involvement behavior focusing on financial incentives (FI), target definition (TD), process-related involvement (CPI) and HR- / career incentives (CI) or in general terms a hybrid mode of corporate involvement (HYM) based on a combination of autocratic control (ACM) and participative appreciation (PAM) will lead to a perception of commitment at the SBU-level.

**3b:** SBU managers experiencing commitment as a combination of control and compassion due to corporate involvement behavior will have a fast speed of strategic decision-making (FDS).

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**Table 7-6: HYM and commitment – conceptualization, effects and fast decision speed**
On the basis of the nine inductively derived corporate involvement means analyzed in the previous chapter, the above paragraphs have summarized the conceptualizations of the three corporate involvement modes and their associated aggregated links to strategic decision speed. Furthermore, the perceived impact of this form of corporate involvement behavior on SBU managers as control, compassion and commitment was recapitulated. On the basis of the t.o.p.GRID globular analysis, the links and associations to decision speed were reiterated. The hybrid mode (HYM) has been found to significantly lead to fast SBU-decision speed, since it combines the aspects of control and compassion in the form of SBU-commitment. These findings were further corroborated by the application of the t.o.p.GRID funnel selection, which provided typical constructs in the attribute area of intersection between fast decision speed (FDS) and the HYM-corporate involvement means FI, TD, CPI and CI. The following chapter outlines implications of the dissertation’s findings for theory and practice and depicts possible directions for further research.
8 Conclusions and directions for further research

The main underlying objective of this dissertation was to develop a mid-range theory of the relationship between corporate involvement and decision speed at the SBU-level. For this purpose, chapter 2 reviewed the relevant literatures and presented the core concepts of the dissertation. In chapter 3, 4 and 5, the empirical and methodological foundation of the dissertation was laid. The key findings of the dissertation were discussed in chapter 6 relating to individual corporate involvement means and in chapter 7 referring to aggregated modes of corporate involvement. In chapter 8, the main conclusions of the dissertation relating to academic theory and management practice are summarized and directions for further research are delineated. This chapter is divided into three sections. In the first section, conclusions are drawn in reference to academic theory. The theoretical contributions of the dissertation are outlined and summarized. In the second section, the dissertation’s conclusions and contributions relating to the field of management practice are illustrated. Within the third section, limitations of the dissertation and directions for further research are outlined. The following figure visualizes the outline of this chapter as well as its key contents.
## 8.1 Conclusions relating to theory

The initial step of achieving the dissertation’s research objective was carried out by inductively deriving and conceptualizing the phenomenon of corporate involvement at the SBU-level within the dissertation’s empirical data. The following nine means of corporate involvement were empirically retrieved and contribute to the scientific community by providing a more profound understanding of what distinct managerial activities constitute the concept of corporate involvement at the SBU-level: (1) financial incentives, (2) target definition, (3) corporate process-related involvement, (4) HR- / career incentives, (5) arenas for discourse, (6) coercive enforcement, (7) sanctioning, (8) conflict resolution and (9) corporate content-related involvement. Moreover, clusters of individual corporate involvement means were integrated within more generalized and aggregated patterns of corporate involvement behavior, which in the dissertation were referred to as corporate involvement modes, stated in the following: (1) autocratic control mode, (2) participative appreciation mode and (3)
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The dissertation deductively applied the concept of decision speed primarily on the basis of the work by Bourgeois/Eisenhardt (1988), Eisenhardt (1989a), Eisenhardt/Bourgeois (1988), Judge/Miller (1991), Rajagopalan/Rasheed/Datta (1993) and Wally/Baum (1994) and broadened the existing research by specifically applying decision speed to the strategic business unit-level. Thus, the dissertation’s findings on decision speed at the SBU-level supplement and deepen the established notion of decision speed (Dess/Origer, 1987; Fredrickson, 1984; Hassard, 1988; Schweiger/Sandberg/Rechner, 1989).

In addition, the dissertation’s findings also contribute to the ongoing discussion about determinants of decision speed. The dissertation’s conceptualization of corporate involvement in the form of nine explicit means and three modes of corporate involvement and the analysis of the effects on SBU-decision speed empirically substantiate decision speed determinants established in the literature (Eisenhardt, 1989a; Judge/Miller, 1991; Wally/Baum, 1994). Overlaps between the dissertation and existing decision speed determinants, such as conflict resolution representing a dissertation’s corporate involvement mean and a decision speed determinant according to Eisenhardt (1989a), enrich and empirically corroborate established knowledge with regard to variations in decision speed. Furthermore, the dissertation inductively derived and established new and additional determinants of SBU-decision speed, such as financial incentives (FI), target definition (TD), corporate process-related involvement (CPI) and HR-/ career incentives (CI). This group of corporate involvement means, which has been shown to be significantly associated to fast
decision speed at the SBU-level, therefore progresses the existing assortment of significant decision speed determinants in the literature. Different effects of the nine means of corporate involvement on the speed of strategic decision-making were detected in the dissertation. Financial incentives, target definition, corporate process-related involvement and HR-/career incentives are closely associated with fast decision speed. In contrary, the corporate involvement means of arenas for discourse, coercive enforcement, sanctioning and conflict resolution are not significantly linked to fast decision speed. In the case of corporate content-related involvement a moderate association with slow decision speed is detected. The autocratic control mode and the participative appreciation mode were found to be not significantly associated with fast decision speed. However, a combination of them, in the form of the hybrid corporate involvement mode was closely associated with fast decision speed. Generally, fast decision speed was found to be linked to a combination of the aspects of control (ACM) and compassion (PAM) in the form of commitment (HYM).

The dissertation has consequently contributed by applying the notion of decision speed to the strategic business unit-level and by inductively conceptualizing the concept of corporate involvement in the form of nine means and three modes of corporate involvement at the SBU-level. Findings on the link between corporate involvement and SBU-decision speed suggest that corporate involvement behavior resulting in SBU-commitment as a combination of control and compassion leads to fast decision speed at the SBU-level (4C). However, SBUs predominantly experiencing either control or compassion due to corporate involvement behavior will not have a fast speed of strategic decision-making (2C).

The retrieving of the dissertation’s profound and valuable findings on the link between corporate involvement and decision speed was made possible through the application of a unique qualitative methodological approach in the dissertation. In order to provide a fruitful basis for theory development, the grounded theory methodology was applied and the focus of analysis was kept broad to cover diverse phenomena comprised in the empirical data (Glaser/Strauss, 1965, 1967; Lamnek, 1995; Strauss, 1987; Strauss/Corbin, 1998). This initial phase allowed for a rich and insightful conceptualization of corporate involvement in the form of nine individual means and three aggregated modes, contributing to the existing literature in the way previously
Conclusions and directions for further research

described. Subsequently, the repertory grid-based method of t.o.p.GRID was applied in order to identify respondents’ perceptions and associations between corporate involvement and decision speed (Catina/Schmitt, 1993; Kelly, 1955; Krafft, 1998; Kruse, 1999; Raeithel, 1991, 1993; Scheer, 1993; Scheer/Catina, 1993a/b). The combination of grounded theory and t.o.p.GRID represents a unique and vastly beneficial approach for the purpose of inductively developing theory that is deeply rooted in the empirical data. The constructive interviewing technique according to t.o.p.GRID allowed uncovering respondents’ underlying assumptions, which further assisted in generating rich and insightful theory on the relationship between corporate involvement and decision speed. In a third step, the retrieved data from t.o.p.GRID was reentered into the iterative grounded theory coding procedures. This aided in condensing the empirical findings towards an integrative theoretical model of corporate involvement and decision speed. The exploration of corporate involvement effects and decision speed according to the dissertation’s specific methodological approach overcomes disadvantages of quantitative and deductive research methodologies applied in the traditional research on decision speed. Thus, the dissertation’s iterative combination of grounded theory and t.o.p.GRID appears highly recommendable for the purpose of theory development when the empirical data is diverse and new empirically rooted insights and contributions are called for.

In summary, the dissertation has inductively derived and conceptualized the concept of corporate involvement at the SBU-level in the form of nine individual means and three aggregated modes of corporate involvement. The concept of decision speed has been deductively introduced to the dissertation and inductively applied to the strategic business unit-level. The dissertation’s findings suggest that fast decision speed at the SBU-level is attained through corporate involvement behavior creating SBU-commitment as a combination of control and compassion. This simultaneously coincides with a combination of autocratic control and participative appreciation involvement behavior at the SBU-level. The individual corporate involvement means financial incentives, target definition, corporate process-related involvement and HR-/career incentives were found to be significantly associated with fast decision speed, whereas the remaining corporate involvement means were not significantly associated. Thus, the dissertation contributes and advances academic theory by:
1. establishing a unique methodological approach as a role model for the inductive development of deeply rooted theory and the analysis of diverse empirical data,
2. expanding the established notion of decision speed to the strategic business unit-level,
3. thoroughly conceptualizing the concept of corporate involvement at the SBU-level in the form of nine individual means and three aggregated modes,
4. empirically substantiating existing decision speed determinants,
5. inductively deriving, supplementing and explaining new determinants of strategic decision speed,
6. providing a more profound understanding of the effects of various forms of corporate involvement on decision speed at the SBU-level,
7. proposing explanations for these effects within an integrative, mid-range 4C-model.

8.2 Conclusions relating to management practice

The focus of this dissertation was put on explaining the effects of various forms of corporate involvement behavior on the speed of strategic decision-making at the SBU-level. Progressively competitive environments, shortened life cycles, complex and dynamic interrelationships between organizational members and increasingly global markets and customers have emphasized the importance of fast decision speed as a critical success factor of firm performance and change adaptability (Eisenhardt, 1989a; Judge/Miller, 1991; Stalk, 1988; Stalk/Hout, 1990; Thomas, 1990). The dissertation has investigated various forms of corporate involvement activities and its effects on organizational processes and SBU-decision speed. A thorough conceptualization of corporate involvement was inductively derived in the dissertation and resulted in nine individual means and three aggregated modes of corporate involvement. Significant findings on how certain means and modes of corporate involvement affect the speed of strategic decision-making at the SBU-level were generated. With these findings the dissertation contributes to the field of managerial practice by making internal management processes at the link between corporate- and SBU-levels more comprehensible and therefore manageable. By providing explanations of how and why specific means and modes of corporate involvement at the SBU-level affect the speed of strategic decision-making at the SBU-level, the dissertation’s findings assist
corporate managers in shaping their involvement activities in such a manner that SBU-decision speed can be increased. Due to the close link between strategic decision speed and firm performance, established in several research studies (Eisenhardt, 1989a; Judge/Miller, 1991; Wally/Baum, 1994), corporate managers are bound to pay close attention to their involvement behavior at the SBU-level and the resulting effects on SBU-decision speed. Thus, the dissertation contributes to management practice by specifying the means and modes according to which corporate managers can or cannot generate and enhance fast decision speed at the SBU-level.

Out of the dissertation’s nine individual corporate involvement means, solely the following four were significantly associated with fast decision speed: financial incentives (FI), target definition (TD), corporate process-related involvement (CPI) and HR-/career incentives (CI). All four involvement means comprised the two characterizing aspects of ‘aligning, structuring, organizing’ and ‘participating, involving, caring’. Corporate managers who combine these two characterizing aspects while applying one or more of the above four means of involvement, were found to significantly generate and enhance fast decision speed at the SBU-level. These four corporate involvement means were further aggregated into the hybrid mode (HYM), which depicts a more general pattern of corporate involvement behavior. The hybrid mode in turn was constituted by the autocratic control mode (ACM) and the participative appreciation mode (PAM). The autocratic control mode, which did not significantly lead to fast decision speed, is comprised of the corporate involvement means coercive enforcement (CE), sanctioning (SN) and corporate content-related involvement (CCI). Corporate managers behaving according to the participative appreciation mode, which is comprised of the corporate involvement means arenas for discourse (AD) and conflict resolution (CR), did not generate and enhance fast decision speed at the SBU-level. ACM and PAM applied separately, were found to not lead to fast decision speed. Corporate autocratic control behavior resulted in a perception of control, which inhibited the speed of strategic decision-making. Corporate participative appreciation behavior resulted in an overly perception of compassion, which was associated with an impediment of fast and efficient decision-making processes. However, in the combined form of the hybrid mode the aspects of control and compassion lead to SBU-commitment through which fast decision speed can be attained. Hence, corporate managers seeking to create fast decision speed due
to their involvement behavior at the SBU-level should create a perception of commitment as a combination of control and compassion through focusing on a balanced combination of autocratic control and participative appreciation behavior. Vice versa, corporate managers should avoid to separately focus on either autocratic control or participative appreciation since this will inhibit them to generate and enhance fast decision speed at the SBU-level.

8.3 Directions for further research

In this final section of the dissertation, several directions for subsequent research are identified. According to the following three aspects, avenues for advancing the dissertation’s findings are portrayed:

1. Extending the dissertation’s concepts of corporate involvement and SBU-decision speed
2. Applying quantitative methods with large sets of data for representative testing of the dissertation’s propositions and findings
3. Controlling for contingency factors

The first aspect (1) focuses on the extension and advancement of the dissertation’s concepts of corporate involvement and strategic decision speed at the SBU-level. Despite the integrative and thoroughly rooted nature of the dissertation’s conceptualization of corporate involvement in the form of nine means and three modes, more inductive studies are sought for, analyzing the effects of corporate involvement on SBU-decision speed from multiple perspectives. By selecting dissimilar research sites, increasing the number of observed firms and applying different methodological approaches, the diversity in data would be increased and supplemental means and modes of corporate involvement could be empirically derived. Existing knowledge on determinants of strategic decision speed could be extended (Eisenhardt, 1989a; Judge/Miller, 1991; Wally/Baum, 1994). Besides retrieving new insights on corporate involvement activities and decision speed determinants other fields of research could be integrated by further investigating how the perception of control, compassion and commitment at the SBU-level is affected. Therefore, a number of enhancements of the dissertation’s current research are available, which would lead to a more refined understanding of the community’s
Conclusions and directions for further research

Thus, future research could advance the dissertation’s existing conceptualization of corporate involvement, add new and insightful determinants of SBU-decision speed and further strengthen the general understanding of corporate involvement effects on the speed of strategic decision-making at the SBU-level.

The second direction proposed for further research (2) focuses on the application of quantitative methods with large sets of data for the testing of the dissertation’s propositions and findings. In combination with the dissertation’s qualitative approach, quantitative research methods could also provide an interesting and beneficial contribution for a future continuation of the dissertation. The qualitative approach of the dissertation’s research process generated new theoretical constructs such as nine means of corporate involvement as well as three aggregated modes, which were thoroughly linked to the speed of strategic decision-making. These inductive conceptualizations of corporate involvement could be deductively introduced as operationalized variables into a quantitative methodological design. Subsequent to operationalizing and empirically validating the varying forms of corporate involvement, attention could be directed toward (a) investigating the quantitative correlation between variables of corporate involvement and SBU-decision speed, (b) testing the proposed effective combinations of corporate involvement means and modes and (c) further examining the causal relations between variables of corporate involvement, SBU-decision speed and overall firm performance (Segev, 1987). Hypotheses on specific interrelations between means and modes of corporate involvement, strategic decision speed and economic outcome variables could be tested by applying methods such as multivariate analyses of variance (MANOVA).

The theory developed and the mutual effects inductively proposed in the dissertation could be quantitatively substantiated or undermined. Similar to the quantitative corroboration of Eisenhardt’s inductive study (1989a) by Judge/Miller (1991), future quantitative research, testing and refining the dissertation’s propositions, could establish the dissertation’s findings and make them more generalized and representative in the realm of strategy research. Future quantitative, large-scale research could thereby enhance the community’s understanding of corporate involvement and decision speed and make it more applicable to a broad array of
managers, firms and industries. This direction for research, combining an inductive, qualitative methodological approach for the development of new constructs and categories representing corporate involvement at the SBU-level, followed by a deductive quantitative approach testing the relationships between these new constructs and strategic decision speed and economic outcome on a large scale, could secure the openness and ‘opportunistic’ flexibility needed for developing theory as well as the ‘rigid’ statistical requirements needed to specify a certain generalized correlation between defined variables of the research setting. The application of quantitative research methods generally comprises the definition of control variables with regard to contingency factors. Hence, the subsequent aspect of controlling for internal and external contingencies is strongly connected to the above issue of testing the dissertation’s key findings with quantitative methods and large sets of data.

The third suggested direction for further research (3) emphasizes the notion of controlling for external and internal contingencies. The dissertation’s research focus was put on an inductive investigation of internal organizational processes influencing strategic decision speed. The dissertation’s focus on internal processes is legitimized by the conceptualizations of the resource-based view of the firm, which argues that internal firm characteristics are more significant with regard to performance than external ones such as industry characteristics (Barney, 1991, 1996; Mauri/Michaels, 1998). Burgelman (1983a: 64) supports this line of argumentation in his model of the interaction of strategic behavior, corporate context and the concept of strategy:

“The model presented here, however [only] integrates the business and corporate-levels of analysis and applies to the class of firms that are large enough and sufficiently resource-rich to be relatively independent of the tight control of external environment selection.”

Despite the dissertation’s valuable contribution of observing decision speed in light of internal corporate–SBU interactions, a fruitful extension of this research would be to control for contingencies such as environmental, industry- or firm-specific influencing factors. Various, primarily deductive, research studies following traditional quantitative methods have emphasized the importance of a contingency design and moderating control variables. Moderating effects of external contingencies have been examined through control variables such as ‘competitive environment’ (Miller/Friesen, 1983) or ‘industry membership’ (Amurgey/Miner, 1992). In order to
control for a firm’s industry environment most studies have relied on three environmental control variables, ‘dynamism’, ‘complexity’ and ‘munificence’ brought forward by Dess/Beard (1984) and elaborated by Dess/Ireland/Hitt (1990).223 ‘Dynamism’ focuses on the rapid change of business environments around a firm. ‘Complexity’ refers to the number of organizations in a firm’s business environment with multiple effects on the firm and ‘munificence’ relates e.g. to the anticipated growth of existing markets. Moderating effects of internal contingencies have included control variables such as ‘degree of diversification’ (Palepu, 1985), ‘internationalization’ (Sullivan, 1994), ‘decision importance’ (Judge/Miller, 1991) or TMT-characteristics such as ‘nationality’, ‘average tenure’ or ‘international work experience’ (Wiersema/Bantel, 1992, 1993). Other authors focus on temporal differences of internal observations and control for ‘period effects’ (Carpenter, 2002). ‘Firm size’ as recommended by Fredrickson/Mitchell (1984) represents the most commonly applied control variable of internal contingency in traditional research studies (e.g. Miller, 1991).

Controlling for internal and external contingency factors within the dissertation would represent an extraordinarily beneficial avenue for further research. Within the dissertation’s setting, control variables could e.g. cover the issue of hierarchical position within the company, i.e. whether an individual represents the corporate or the SBU-level. This would allow drawing conclusions on differences in perceptions between ‘carrying out, i.e. affecting others with’ versus ‘receiving, i.e. being affected by’ corporate involvement activities. On the basis of these findings, a further elaborated theory of corporate involvement effects on SBU employees and decision-making could be developed. Additionally, industry-specific factors such as dynamism and complexity of the business environment could be controlled for, which would allow expanding the focus of the dissertation’s dynamic industry environments or Eisenhardt’s (1989a) high velocity environments. Future research, controlling for firm-specific contingency factors could additionally isolate distinctive specificities and characteristics of individual research sites, improving the explanation of single phenomena and making the theory developed more empirically grounded and generalized. On the basis of the dissertation’s t.o.p.GRID method, the following figure depicts for illustrative purposes a grid-space of the existing interviews with regard to

223 Also see: Huff, 1982; Ireland/Hitt/Bettis/dePorras, 1987; Sharfman/Dean, 1991
Conclusions and directions for further research

firm- and CM-SBU affiliation. The succeeding figure represents a possible outlook and a preliminary first step towards the direction of future research outlined above.

Figure 8-2: Grid-space of individual interview responses according to t.o.p.GRID

<table>
<thead>
<tr>
<th>A</th>
<th>G</th>
<th>I</th>
<th>L</th>
<th>M</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABB Asea Brown Boveri</td>
<td>Grey Global Group</td>
<td>Information Management Group</td>
<td>Lufthansa German Airlines</td>
<td>Mummert &amp; Partner</td>
</tr>
</tbody>
</table>

= corporate management level

= strategic business unit level

Within the grid-space, each specific point in the three-dimensional array depicted in the following as circles and triangles, represents an individual interview. The distance between two interviews measures the similarity of response patterns. Interviews with a close proximity signify that interview respondents have a similar response scheme, whereas interviews being farther apart indicate that response schemes differ from each other. Within the grid-space no specific conclusions can be drawn about the absolute distance measured (Kruse, 1999).

Corporate and SBU management affiliation was categorized according to respondents' testimonies.
As stated before, controlling for contingency factors is closely associated and coincides with applying quantitative research methods and deductively testing large numbers of data for the sake of generalized and representative findings. Due to the inductive and qualitative nature of the dissertation and the comparatively lower number of interview responses compared to quantitative methods, evidently the above grid-space cannot account for controlling these contingencies. However, interesting opportunities for further research are depicted on the basis of the above grid-space. For example, interview responses by corporate managers appear to be closer than those of SBU managers. Further research should consequently control for the hierarchical positioning of interview respondents and elaborate existing differences in responses and perceptions between corporate and SBU managers. A second perspective of further research could control for firm-specific differences and investigate why some firms have more homogeneous response patterns than others. For example, in the above grid-space, Lufthansa German Airlines (L) has a highly similar and homogeneous pattern of interview responses. In contrary, the professional service firm Mummert + Partner (M) specializing in consulting activities has a rather heterogeneous and dissimilar response pattern. Does this difference originate from the industry the firms are in? Could the difference be explained by observing the degree of power centralization, formalized standardization or the degree of individual managerial autonomy? By quantitatively controlling for firm- and industry-specific variables in a large set of empirical data, these differences could be further identified, described and potentially explained.
Appendices

Appendix 1: Grey IQ-growth sheet – quarterly forecast

Appendix 2: IMG balanced scorecard

Appendix 3: IMG strategic planning process

Appendix 4: Lufthansa Group strategy process

Appendix 5: Outline of dissertation’s semi-structured interview questions
### Appendix 1: Grey IQ-growth sheet

<table>
<thead>
<tr>
<th>Level</th>
<th>Planning meeting/document</th>
<th>Controlling reporting -documents</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBM</td>
<td>EBM-Minutes</td>
<td>next EBM</td>
</tr>
<tr>
<td>MD-Meeting</td>
<td>MD-Report</td>
<td>next MD-Meeting</td>
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<tr>
<td>unit/ agency</td>
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</tbody>
</table>

**EBM**
- EBM-Minutes
  - Decisions, orders, responsibilities, timings
    - 1. Report
    - 2. Business
    - 3. New Business
    - 4. Employees
    - 5. Finance
    - 6. Organization/Infrastructure
    - 7. Projects
    - 8. Global network
    - 9. Miscellaneous

**MD-Report**
- Decisions, Orders, Responsibilities, Timings
  - 1. Report
  - 2. Business
  - 3. New Business
  - 4. Employees
  - 5. Finance
  - 6. Organization/Infrastructure
  - 7. Projects
  - 8. Global Network
  - 9. Miscellaneous

**financial figures**
- figures (quantitative)
  - Revenue
  - Cashflow
  - Accounts receivable
  - Accounts receivable > 30d
  - Liquidity
  - Loans
  - Fixed assets coverage ratio
  - Costs
  - Sharehold. equit. in % total assets
  - Depreciation

**key facts (qualitative)**
- business information
  - Grey Switzerland
  - Grey Europe
  - EBM = Executive Board Meeting
  - MD = Managing Director

**Source**: Grey Global Group Switzerland (1999)
Appendix 2: IMG balanced scorecard

Balanced Scorecard for: IMG
Period: FY2001

### Summary of Strategy

<table>
<thead>
<tr>
<th>Region Focus</th>
<th>Industry Focus</th>
<th>Client Focus (within Industry)</th>
<th>Services Focus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue (MCHF)</td>
<td>Project ROS (%)</td>
<td>Client A</td>
<td>EBIT (MCHF)</td>
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<tr>
<td>EBIT (MCHF)</td>
<td>EBIT (%)</td>
<td>Client B</td>
<td>Benchmark (%)</td>
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<tr>
<td>Billability - Consultants (100% = 1800h/year)</td>
<td>Client C</td>
<td>Client D</td>
<td>Revenue with 5 Top Clients (MCHF)</td>
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<tr>
<td>Billability - Management (100% = 1800h/year)</td>
<td>Client E</td>
<td>Client F</td>
<td>Client G</td>
</tr>
<tr>
<td>Productivity (Project Contribution/ # of Employees - TCHF)</td>
<td>Total Revenue with new KA (MCHF)</td>
<td>Total Revenue with new KA (MCHF)</td>
<td>Total Revenue with new KA (MCHF)</td>
</tr>
<tr>
<td>Identified Revenue of Sales Pipeline/Budget</td>
<td>Average Revenue with KA (MCHF)</td>
<td>Average Revenue with KA (MCHF)</td>
<td>Average Revenue with KA (MCHF)</td>
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<tr>
<td>Sales Pipeline Hit Ratio (Projects won/Lead qualified)</td>
<td>(Q) # of KA with no Revenue for last 3 Months</td>
<td>(Q) # of KA with no Revenue for last 3 Months</td>
<td>(Q) # of KA with no Revenue for last 3 Months</td>
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### Financial Perspective

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<td>Revenue (MCHF)</td>
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<td>Project ROS (%)</td>
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<td>Sales Pipeline Hit Ratio (Projects won/Lead qualified)</td>
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### Customer Perspective

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<td>Revenue with 5 Top Clients (MCHF)</td>
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<td>Client A</td>
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<td>Client E</td>
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<td>Average Revenue with KA (MCHF)</td>
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<td>Total Revenue with new KA (MCHF)</td>
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### Internal Perspective

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<td>Quality Recruiting (Contracts/Interviews)</td>
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<td>Speed Recruiting Process (Av. # of Days)</td>
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<td>Account Managers* Total Employees</td>
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<td># of C-level Contacts* of Clients</td>
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<td>Acquisition Cost (Internal Cost/Revenue of Projects acquired)</td>
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<td>Cost Proj. Inst (Internal Cost for Leads Inst/Total Project Rev.)</td>
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### Innovation and Learning Perspective

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<td>Press Presence (# of hits)</td>
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<td>Degree of Skills Portfolio Coverage (%)</td>
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<td>Employee Satisfaction Index</td>
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<td>Employee Turnover Rate (%)</td>
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### Risk Monitor

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<td>Credit Risks</td>
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<td>MCHF</td>
<td>Remark</td>
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<td>Client 2</td>
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<td>Client 3</td>
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### Largest Fixed Price Projects

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<td>Original Cost</td>
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<td>% completed</td>
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<td>% accrued</td>
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<td>Project 1</td>
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<td>Project 2</td>
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<td>Project 3</td>
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Source: IMG Consulting (2000)
Appendix 3: IMG strategic planning process

Strategy Workshop
EBM
Account Manager
Profit Centers & Competence Centers

Develop Strategy
Develop Business Score Card (BSC) for Group
Agree on targets for Profit Centers (PC) Competence Centers (CC) one year plan → BSCs
Planning of Consulting Resources & Training
Planning of Initiatives
Planning of Marketing Resources
Finalize Profit Center BSC and Budget
Develop
• Group Mktg.
• CC
• Group HR
• Group budgets & coord. with PCs

Aggregate budgets and approve OR
IF gaps adjust budgets

Approve budgets

Timeline / Milestones

Oct. 25/26
Strategy Workshop
Nov. 23
Kick-off 3yrs plan
Dec. 315

Source: IMG (2000) and IMG internal information
Throughout the strategy process strategic decisions are systematically aimed for the strategy forum I and II.

The temporal sequence of the Lufthansa Group strategy process

<table>
<thead>
<tr>
<th>December</th>
<th>March</th>
<th>April</th>
<th>May</th>
<th>(1. round)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preparation</td>
<td>Strategy - forum I</td>
<td>Preparation</td>
<td>Strategy - forum II</td>
<td>Communication</td>
</tr>
</tbody>
</table>

Temporal planning:

- **March 2**: Strategy day of the SBUs
- **May 18**: Strategy day of the SBUs
- **June 22**: Strategy day of the SBUs
- **Sept. 21**: Strategy day of the SBUs
- **Oct. 7**: Strategy day of the SBUs
- **Nov. 2**: Strategy day of the SBUs
- **Nov. 2**: Strategy day of the SBUs
- **?**: Strategy day of the SBUs

Source: Lufthansa (1998) and Lufthansa Cargo internal information
Appendix 5: Outline of dissertation’s semi-structured interview questions

1) Introduction:
   - Introduction of interviewer-background
   - Short presentation of dissertation project and research team
   - Questions about interviewee-background: career, position, function
   - Questions about research site: structure, SBUs, stakeholder, markets

2) Strategy process:
   - What are the steps and sequence of the strategy process at the site?
   - What milestones, deadlines, meetings, task forces are there?
   - How are decisions made within the strategy process?

   - Where do strategic initiatives occur in the organization (location)?
     - context (rigid vs. open); responsibility (centralized vs. decentralized); direction of influence (top-down vs. bottom-up)

   - Who participates and develops strategies (participants)?
     - participation (low vs. high); perspectives (homogeneous vs. heterogeneous); capabilities (mono- vs. interdisciplinary)

   - When and for how long are strategies developed (timing)?
     - duration (short vs. long); activation (scheduled vs. event-oriented); time-frame (short-term vs. long-term)

   - With what kind of means are strategies developed (instruments)?
     - resource absorption (low vs. high); diversity of applied methods (limited vs. abundant)

   - What kind of strategic approach is followed (procedural approach)?
     - working practice (analytical vs. intuitive); documentation (quantitative vs. qualitative); structure (precise vs. rough)

   - How do people involved in the strategy process behave (behavior)?
     - conflict behavior (averting vs. exposed); decision-making (patriarchal vs. democratic); transparency (low vs. high)
3) Corporate involvement:
- What is the corporate and SBU-level management in this firm?
- How do corporate managers in this firm seek to influence the SBU?
- What means of corporate involvement are there? …With regard to…
  - finance, strategy, HR, structure, control, and standards? Others?
- Which of the means are primarily applied by corporate managers? Why?
- How do interactions between corporate and SBU managers take place?
- How is the corporate involvement perceived?
- What are perceived potentials for improvement? Why?

4) Impact of corporate involvement / decision speed / strategy outcome
- What do corporate/SBU-members perceive as successful involvement?
- How is success defined at varying levels in the organization?
- What does corporate involvement have an impact on? With regard to…
  - quality, time, decision-making, competition, group processes?
- What do managers perceive as influencing factors on decision speed?
- What do corporate/SBU-members perceive as decision speed?
- What role does speed play in strategic decision-making? (relevance)
- How are different characteristics of decision speed perceived/measured?

5) Link between corporate involvement and decision speed
- What kind of corporate involvement means influence decision speed?
- What can corporate managers do, to increase the SBU-decision speed?
- Examples of causal relations between involvement means and speed?
- Why are some examples successful and others are not?
- What matters most in respect to good interactions between CM & SBU?
- What are the five involvement means that influence decision speed most?
- What are the five involvement means that influence decision speed least?
  - Why? Explanations of causal relations?
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Curriculum Vitae

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