

Copyright is owned by the Author of the thesis. Permission is given for a copy to be downloaded by an individual for the purpose of research and private study only. The thesis may not be reproduced elsewhere without the permission of the Author.

A THESIS PRESENTED IN PARTIAL
FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE
OF
M.B.A. (AGRIC.)
IN
BUSINESS
AT
MASSEY UNIVERSITY

ROBIN WARREN NEIL SMITH
1978

ABSTRACTThe Chief Executive and Aspects of ChangeR W Smith

This research is directed to an analysis of certain change related variables, (e.g. competitive/innovative attitudes and postures), that are influential in determining a Chief Executives perception and choice of growth strategies available within his companies future. It attempts an analysis of the interaction on the change dimension of a management culture and its operating environment. For purposes of contrast this culture was in part defined by the levels of conservatism found in the Chief Executive personality.

A national sample was drawn from among Chief Executives of the larger, (fifty employees plus), New Zealand Commercial enterprise. A measure was developed from the work and findings of a conservatism theorist, G. Wilson to sample sort for respondents who would fall within one of two groups at the extremes of a range of conservatism (Very Low/Very High).

Significant relationships were identified that indicated determining influences by Executive personalities and attitudes on the growth and change futures of the organisations they managed; in turn this has re-emphasized the need to more fully recognize that the behavioural characteristics of the firm and its leadership are at least of equal significance with the structural in shaping-out organisational futures.

ACKNOWLEDGEMENT

My thanks go to Professor G.H. Hines for providing the learning opportunities and my colleagues Dr. A. Williams and M. Devlin whose advice and counsel have assisted the passage of the research. An appreciation is due for the work of the Administrative staff of the Faculty of Business especially in the early stages of the research.

To my parents, family and wife Marie, whose support has finally begun to bear results.

June, 1978

TABLE OF CONTENTS

	Page
Abstract	ii
Preface and Acknowledgement	iii
List of Tables	iv
List of Figures	vii
<u>Chapter One</u>	
Literature Review	1
<u>Chapter Two</u>	
Research Objectives	27
Research Hypotheses	
Research Method:	
(Sample Characteristics)	29
(Development of a Conservatism Sorting Device)	44
<u>Chapter Three</u>	
Hypothesis 1	56
<u>Chapter Four</u>	
Hypothesis 2	72
<u>Chapter Five</u>	
Hypothesis 3	97
<u>Chapter Six</u>	
Hypotheses 4 & 5	117
<u>Chapter Seven</u>	
Summary of Findings and Future Research Directions	121
 Bibliography	
Readings	
Appendix One	
Appendix Two	

LIST OF TABLES

	Page
1 Position in the Formal Hierarchy & Power to Innovate	2
2 Company Geographical Distribution	31
3 Company Size Distribution (Sample/Return Match)	32
4 Chief Executive Conservatism - Geographical Distribution	33
5 As above	
6 As above	
7 As above	34
8 Country of Birth Influence on Conservatism Levels Shown by Analysis within each Conservatism Grouping	35
9 Table (8) Above for full sample	
10 Country of Birth (Geographical Distribution)	37
11 Education influences on Conservatism Levels	38
12 Education Experiences by Country of Birth	39
13 Country of Company Ownership influences on Conservatism Levels	40
14 Table (12) above for full sample	41
15 Company Ownership by Executive effects on Conservatism levels of their Chief Executives	42
16 Company Control by Executive effects on Conservatism levels of their Chief Executives	
17 The Nature of the Company effects on Conservatism levels of their Chief Executives	
18 Comparison Table of Rank Order Correlations for the Items in the Conservatism Measuring Device	46
19 Statistical Comparison of two Applications of the Wilson- Patterson Conservatism Measuring Instrument	48
20 Multiple Regression of the merged two applications of the Wilson-Patterson Conservatism Measuring Instrument	
21 Comparison of Mean of Item Scores for Low and High in Conservatism Groups	49
22 Organisation Overall Competitive Attitude Postures (C.A.P.)	57
23 (C.A.P.)s and Chief Executive Conservatism	58

	Page
24 Country of Ownership Effects on Competitive Posture	60
25 Chief Executive Company Ownership/Control Effects on Competitive Posture	63
26 Table (24) Analysed by Time and Competitive Posture Level	
27 Company Type Effects on Competitive Posture	66
28 Competitive Pressure Effects on Competitive Postures	68
29 Competitive Pressure Effects: Differences over time within Pressure Groups	
30 Competitive Pressure Effects: Differences in Pressure within Time Groups	69
31 Company Size Effects on Competitive Posture	70
32 Distribution of Innovation Choice Effects on Degree of Chief Executive Conservatism	73
33 Chief Executive Age Effects on Organisational Innovation Posture	76
34 Chief Executive Country of Birth Effects on Organisational Innovation Posture	78
35 Company Size Effects on Innovation Posture	79
36 Company Type Effects on Innovation Posture	81
37 Country of Company Ownership Effects on Innovation Posture	82
38 Competitive Pressure Effects on Innovation Posture	84
39 Competitive Posture Effects on Innovation Posture	
40 Short and Long Term Competitive Postures	87
41 Innovation and Change Policy (I.and C.Policy) Breakdown (Total Survey Sample)	89
42 (I.& C. Policy) Breakdown (<u>Yes</u> Response Only)	
43 Ratio Expression of I.& C. Policies	90
44 Influence of Chief Executive Conservatism on (I.& C.) Policy	91
45 Company Ownership Effect on (I.& C.) Policy	92
46 Table (45) Analysed by Country of Ownership	93
47 Company Type Effects on (I.& C.) Policy	94

	Page
48 Degree of Agreement with Supervisory dimension & level of Conservatism	95
49 Conservatism and Social & Economic Conditions	117
50 Conservatism and Chief Executive Stress and Tension	119
51 Distribution of Competitive Strategies (Summary)	127
52 Distribution of Innovation Strategies (Summary)	130
53 Supervisory Attitudes (Summary)	131

LIST OF FIGURES

	Page (Adjacent to)
1 Innovation Posture Change Model	21
2 Company Distribution - Geographical One	34
3 Company Distribution - Geographical Two	
4 Sample Distribution - By Conservatism and across the Birth Dimension	35
5 Item Sort Procedure Flow - development of a Conservatism measuring device	47
6 Summary Effects of Low/High Executive conservatism on Supervisory Dimensions (One, Four & Five)	100
7 Analysis of Supervisory Attitude One	104
8 " " " Two	106
9 " " " Three	107
10 " " " Four	109
11 " " " Five	111
12 " " " Six	113
13 " " " Seven	115
14 " " " Eight	116
 <u>Appendix 1</u>	
15 Factor List - Wilson/Patterson Conservatism Measure	
16 Student Sample Distribution	
17 Item-Order Ranking for Low/High Conservatism groups	
18 Distribution of Executive Conservatism scores by Age	
19 Research Procedure Model	

INNOVATION

New Zealand is located on the periphery of innovative technological growth, is relatively focused in its research specialities (for instance, dairy technology) and has been a considerable nett importer of new technologies with their associated ideas and processes. Limited domestic markets has required the growth conscious producer or manufacturer to participate in dual marketing strategies combining the necessary domestic with the degree of overseas sales required to sustain an acceptable (as defined by the organisation) level of remuneration. As a result of this many enterprises in this country are vulnerable to competitive innovation - change of an innovative kind generally introduced into the organisation from the exogenous environment.

Up to the early 1960's the structurally simple and stable production - marketing interaction required New Zealand producers to meet minimum challenges from competitive producers outside of New Zealand in both domestic and traditional foreign markets. Change and associated challenge has come since that time in two forms - both the absolute numbers of competitors in most export sectors has increased and new technologies and methodologies have intruded to modify the production process itself, the shape and nature of the output, and the general package of executive - managerial skills required to plan and cope with rapid evolutionary change.

The research is concerned with the identification of one principle aspect of innovation - the characteristics of companies and their leadership that tend to favour 'first to do' as contrasted with 'wait and see' attitudes towards innovative change.

Study of the human resource characteristics of innovation is focused on one level only in the organisation, the Chief Executive. Innovation requires enforcement through

organisational power and,

*for this reason there is great truth
to the statement that most important
innovations are imposed from the top
down (1).*

Knight in Table (1) below rates organisation positions in the formal hierarchy by their power to Innovate.

Position In The Formal Hierarchy And Power To Innovate

Formal Organisational

Hierarchy (Selected Examples)		Product or Service	Production Process	Organisational Structure	People
		H M L	H M L	H M L	H M L
Staff person- nel at several levels	Chief executive officer	x - -	x - -	x - -	x - -
	Vice-president	x - -	x - -	- x -	x - -
	Division head	x - -	x - -	- x -	- x -
	Plant manager	- x -	- x -	- - x	- x -
	General supervisor	- x -	- - x	- - x	- - x
	Foreman	- - x	- - x	- - -	- - x
	Worker	- - x	- - x	- - -	- - -

(H=High M=Medium L=Low)

Table (1)

Theorists have analysed innovation potentials within organisations along two broad lines: structural characteristics and the human resource equation. Although aspects of both are considered in this research the principle focus is on the nature and quality of organisational leadership.

The research analyses the attitudes of Chief Executives towards the innovating change dimension. At the peak of hierarchical control the senior executive attitudes would be expected to be of determining importance in shaping

(1) Knight K.E.A. Descriptive Model of the Intra-Firm Innovation Process, The Journal of Business, 40, 1967, p490

organisational strategies in this regard,

A stimulus for innovative change may have endogenous or exogenous points of origin; these stimuli may be independent or interrelated and exist as single stimulating events or as spread across time occurring as a series of follow-on successive stimulations.

Considering firstly exogenous or outside of organisation change several relational and conditional variables become important. The concept of a stimulus implies threshold levels at which the organisation recognises change as both relevant and innovative; all change need not be innovative change to any particular organisation in a field of similar organisational types nor be accepted and incorporated if recognised as innovative but undesirable for the organisation's needs. A type of organisational perception may be seen to operate which ranks, orders and filters desirable Innovative Conditions (I.C's). Such scanning activities would be the preoccupation of boundary personnel charged with screening out I.C's of consequence and meaning for their organisation.

The operation of such perceptual processes is linked directly to two major organisational conditions: the rate at which the organisation is growing, (in a structural sense as well as its growth position in relationship to its competitive and resource environments), and the direction of such movements across the environmental field. Consider an organisation held in a near to steady state condition by conscious and deliberate management choice - such selection for stable stationary growth conditions may originate in the organisational growth philosophy of the company itself or be a consequence of boundary definitions laid on the organisation by legal and financial constraints in the environment itself.

Change and particularly innovative change that disturbs the

field would be selected out and ignored; where organisations are participating in stable markets, where its futures are guaranteed by fief then its perceptual processes would hold and age; the upper and lower limits to innovation entry would narrow. Less and less of innovating change would be allowed entrance and increasingly the perceptions of one time span become dated and irrelevant to the next.

If the force for change is strong enough to overcome such inertia then the consequences for the organisation depend on both the human resource and financial depth-of-field that may be exploited to move the organisation to a new equilibrium, or if the environmental stress no longer allows, to start and continue evolution in pace with the intruding change. In most instances this involves agreement and sanction from other environmental participants - other competitors, the organisations input-output partners (suppliers, consumers etc), and government instrumentalities.

Cost saving innovating devices such as pelting machines in the freezer industry evolve out of competitive pressures but involve total sanction for use in this case from unions. In the case of privately owned companies the need, as in the case of public registered companies, to justify some types of innovative change paths to wider heterogeneous audiences, is obviated. Public companies nett worth are linked more directly to market ascribed valuations based on the perceptions of a wider range of individual and institutional buyers and sellers - as such any change equations need to be meshed in a wider and more complicated share owner spectrum.

Organisations already adapted to change and who value innovation as a condition of their survival and growth would be conditioned to treat more efficiently with large scale change where such change is congruent with their direction of motion. The commitment of an organisation to long

term goals allows a growth path momentum to incrementalise, which is positively to the good if the direction of innovation is close to that to which the organisation is committed, but which is highly dysfunctional if too divergent or contrary to such organisational futures. The classic marketing coup by the BIC Company of the throw-away razor represents the failure of a technology innovation to fit with establish blade manufacturers goal commitments which were to the development of longer-life longer-use products. An attempt by the entrenched blade companies to switch over ended in less than satisfactory results. The direction of this particular innovation more closely matched the organisational commitments of the BIC Company to short-life low-cost disposables of all kinds. Companies committed and receptive to innovation have no guarantee that such predisposition guarantees survival and success - competitor choices and strategems can adjust potentially successful outcomes into shortfalls.

Capacities, depth of resource fields, organisational momentums are all functional ingredients of organisation scale (company size - unitary, conglomerate) and diversity. Wilson (2) links three outcomes to organisational diversity:

the greater such diversity, the greater the probability that members will conceive of major innovations, the greater the probability that major innovations will be proposed, the smaller the proportion of major innovations that will be adopted.

(2) Wilson, James Q. "Innovation in Organisations : Notes Toward a Theory", in Thompson, James D. (ed.) Approaches to Organisational Design. Pittsburg: University of Pittsburg Press, 1966, pp 193 - 218.

For Levitt (3) imitation is not only more abundant than innovation but actually a much more natural road to business growth and profits. He conjectures that imitation is endemic and innovation scarce. The direction and structure of (R&D) budgets are determined by the cross-play of the innovation/imitation processes for the industry in general and for the firm in particular.

When organisational energies are committed to the formulation of unique technologies, this can mean major financial and manpower investments; when directed towards trying to adapt for its industry or its organisation (I.C's) that have already been applied elsewhere the resource commitments are of a strikingly different order. Levitt found in his research of strongly new-product oriented companies with active (R&D) departments that not a single respondent in his sample possessed a statement of policy, either informal or explicit to guide it in its responses to the innovations of others. None had given any systematic or sustained thought to the general notion of whether it might be useful to have a set criteria for the adaptation of other innovations for their own purposes. He found that in most of the larger and better managed companies product innovation is purposeful and planned, not random or accidental. Yet in these same companies product imitation tends to be entirely random, accidental or reactive. It is the consequence not of what the imitator has planned but of what his competing innovator has planned.

If policies weight in favour of effective imitation then organisation capacities associated with technique/tool measurement, assessment and validation must be encouraged and enforced; the speed of application in new market strategies becomes of special value since foreign based competitors may be drawing on a (R&D) base internal to

(3) Levitt, T. Innovative Imitation. Harvard Business Review, 44(5), 1966, pp63 - 70.

their operation or close at hand and more immediately available for use (4)(5). Further complications arise in that a strategy of 'prefer to wait' may leave only the tailings of successful market ventures by competitors. In growing markets that are both price and income elastic, inefficiencies may be disguised or advanced for a reckoning to future dates; but where long term commodity contracts are difficult to negotiate and where producers need to be capable of coping with fluctuating minimum order figures, the long term success of New Zealand business organisation depends increasingly on their skills at operation in the area of marginal gains.

One problem associated with imitation for New Zealand firms lies in the adaptation of (I.P.'s) to the local scale of production and fitting the (I.P.) into an organisational/technology matrix different from that of its development.

The question becomes one of whether or not full value can be gained from the new (I.P.) when separated from the organisational/technology situation in which it was developed. E.D.P. - M.I.S. systems have been introduced and underutilized for this very reason; similarly for the use of conceptual planning models which work well overseas but fail because they are not transportable. Innovation theory tends to view each innovation event as discrete in itself and most causal models so developed make this simplification (6)(7). In real time terms the introduction of a new process requires a sympathetic and compatible environment or one that is predisposed and adaptive and contains cosmopolitan characteristics (8).

-
- (4) Mansfield, E. Technical Change & the Rate of Imitation. Econometrica, 29, 1961, pp 741 - 66.
 - (5) Normann, R. Organisational Innovatedness: Product Variation and Re-orientation, Administrative Science Quarterly 16(2), 1971, pp 203 - 15.
 - (6) Rosner, M M. Economic Determinants of Organisational Innovation, Administrative Science Quarterly, 12, 1967-68, pp 614 - 625

One point for investigation in New Zealand is the effect of different and competing innovations especially in the applied science field where whole parallel technologies are available as complete and discrete systems - e.g. colour television; in order to select efficiently, the means to evaluate are of vital importance. A New Zealand organisation in contemplating the adoption of an (I.P.) lacks the infrastructure which shaped the new tool and which would otherwise exist to measure and rate the tool itself (9).

In support of the need for at least a modicum of imitative behaviour in organisational growth Levitt (10) says:

every company needs to recognise the impossibility of sustaining innovative leadership in its industry and the danger of an unbalanced dedication to being the industry's innovator more important no single company can afford even to try to be the first in its field. The costs are too great; and imagination, energy, and management know-how are too evenly distributed within industries.

The determination of the right innovative/imitative mix in the choice of growth and pursuit strategies would establish a ratio functionally related to company resource and growth directions. New ventures into old fields would perhaps call for imitative approaches - a technique well exploited by Japanese industry in its early and middle years.

(7) Thompson, V. Bureaucracy and Innovation, Administrative Science Quarterly, 10, 1965, pp 1 - 20

(8) Schoen, D.R. Managing Technological Innovation, Harvard Business Review, 47(3), 1969, pp 157 - 167.

(9) Mansfield: op.cit.

(10) Levitt: op.cit. p65

Massive investments over long time periods are the general scale of commitment needed to generate very and fundamentally innovative changes in contrast with what Knight (11) terms routine innovation.

Structural factors have very clear effects on New Zealand's ability to exploit imitative techniques. For example because of production limits imposed on manufacturers by the smallness of the domestic markets, the importation of current overseas style change in apparel, (routine innovation as above), fixes the locally produced replication of a Northern Hemisphere product twelve to eighteen months behind the overseas item and limits its exportable value by dating. Off-shore operations of Australian companies in Asia by comparison are abreast of change in both European and North American markets. Their ability to use the imitative techniques in garment manufacture is linked to their earlier decision to modify their pricing structure by relocating in new foreign labour markets; something New Zealand has yet to attempt on any significant scale.

In a mixed economy which moves to ameliorate natural motivators to change (12)(13) and which prizes institutional techniques for stabilizing exceptional growth trends (14)(15) the decision to innovate can never be a decision left in any major sense to a single entrepreneur. Innovation by its very nature implies a ranking of predispositions

(11) Knight: op.cit

(12) Duncan, R.B. Characteristics of Organisational Environments and Perceived Environmental Uncertainty. Administrative Science Quarterly, 17(3), 1972, pp313-327.

(13) Morse, J.J. & Lorsch J.W., Beyond Theory Y. Harvard Business Review, 48(3), 1970, pp61 - 8.

(14) Thompson: op.cit.

(15) Lawrence, P. How to Deal With Resistance to Change Harvard Business Review, 32(3), 1954, p49.

on the part of an economic sector's members to change values (16); such potentials may exist initially in what may be described as pre-potential states; precursor conditions, which if the environment is sympathetic will develop into articulate and legitimate business values. If preempted, and circumscribed by social, economic and political controls they atrophy and are assumed to the macro-environment as part of its role and function (17).

The response of New Zealand companies and indeed of the national planning mechanism itself to demands for change and adjustment is similar to the condition described by Knight (18) as Distress Innovation - a variety of non routine innovation. This condition arises where organisations finding themselves disadvantaged in the face of a change challenge, lack fall-back resource positions and the organisational energies required to cope. Under this circumstance the organisation

*will emphasise cost-reduction projects.
The company will often fire the president,
reshuffle people, and apply great pressure to cut costs in an effort to become successful again.*

This rebalancing of current internal resource stocks to achieve a restoration of equilibrium conditions is reminiscent of high wire walking without a balancing pole. It chooses to ignore the constant realities of gravitational challenge: in our organisational model such challenge may be represented by change itself or by the perpetrators of change such as competitors.

-
- (16) Cyert R.M. et al. The Role of Expectations in Business Decision Making. Administrative Science Quarterly, 3, 1958 - 59, pp307 - 40.
- (17) Greenfield, T.B. Organisations as Social Inventions: Rethinking Assumptions about Change, Journal of Applied Behavioural Science, 9(3), 1973, pp551 - 574.
- (18) Knight: op.cit. p485.

The Competitiveness Measure

The area of competitive measurement in this research is most easily identified with the Emery and Trist (19) Causal Texture model of organisational environmental interaction. It defines four type of causal texture in which an organisation may be located and which will elicit and direct quite characteristically different patterns of behaviour.

<u>Competitiveness Research Model</u>	<u>Emery & Trist Model</u>
Type 1	Step Four {Turbulent Fields}
	↑
Type 2	Step Three {Disturbed-reactive environment}
	↑
	Step Two {Placid, clustered environment}
Type 3	↑
	Step One {Placid, randomised environment}

For each of these steps the model describes the nature of the inter-active condition between organisations and between organisations and their environment.

Step One and Two exist as kinds of pre-competitive states in which organisational types are more or less compatable and represent no serious challenge to each other. Step One growth options are viewed as local in character and consist of *attempting to do ones best on a purely local basis.*

Organisations existing under these conditions *exist adaptively as single and indeed quite small units.*

Step Two is similar but the environmental resources offered as options to organisations for growth purposes have now condensed out and clustered.

(19) Emery, F.E. & Trist E.L. The Causal Texture of Organisational Environments, Human Relations, 18(1), 1965, pp21 - 32.

Organisations under these conditions, tend to grow in size and also to become hierarchical with a tendency towards centralised control and coordination (20).

Steps One and Two above approximate the environments and typify the competitive attitudes and postures expressed by the Type Three Competitive Posture in the research model; here companies expect to exist in survival states only and the principle inter-action is between themselves and their immediate environments - they are companies striving to gain or maintain a sufficient share of the available markets that would satisfy their need to survive. The competitive stances of such companies would be muted and non-expansionist, at least in the short term; a long term dimension has been introduced however to determine if they perceive their position as fixed and inevitable.

Membership of any level in a hierarchy of growth states may be either permanent or transitional as part of a on-going step-by-step development strategy established by organisational choice or exogenous determination. Severe and permanent resource limitations may permit only a very limited number of operating niches for certain organisational types and, without a general freeing-up of the total operating climate, the condition is fixed. Alternatively, proprietorial commitments to a certain life style or other ex-organisational consideration may limit the type of upgrading exercises able or permitted to be undertaken - one retail outlet expanded to two, one product line to several; regional manpower shortages in certain job category types prevent plant expansion etc when all else is satisfactory - several instances are coming to light in the apparel industry, under study by the author, where the

(20) Wilson: op.cit. p24, 25.

complete inability to retain sewing machine service men in rural areas have organisational effects that spread chain like across whole company operations.

Step Three causal textures embrace pure competitive states of being: inter-organisational activity at this level takes a form in which

that part of the environment to which it wishes to move itself in the long run is also the part to which the others seek to move. Knowing this each will wish to improve its own chances by hindering the others it now becomes necessary to define the organisational objective in terms not so much of location as of capacity or power to move more or less at will, i.e. to be able to make and meet competitive challenge (21).

At the Type Two and Type One levels of competitive posture, (Step Three and Four of the Causal descriptions), the organisations may be seen to have developed sufficient will and weight to have autochtonotic effects on their environments. The direction and sum of the collective wills to achieve, and the regulation of such determinations, subject the regulatory processes to special and particular problems. It is the author's belief that the mediating and balancing role of the state, at the beginning of mixed-economy growth, fails to evolve sufficient innovative capacities to cope with such dynamic as opposed to static environmental fields. In this instance the direction of regulation is against instability and towards the bureaucratization of growth.

Such (total environment) demands can be exhausting and

(21) Wilson, op.cit. p26.

debilitative in extreme conditions where both the organisation and the environment are in movement (Turbulent states) and where the relational movements are out of place and alternate between support-given, support-withdrawn situations. Earlier work by the researcher on the Tourist Hotel Corporation (T.H.C.) showed the development of organisational change strategies which focused on just such cyclic (real and anticipated) changes in the character and levels of directive support given by the policy authority to this statutory body. The (T.H.C.) operating in a controversial and contested area of public policy was forced to seek innovative solutions to achieve its long term planning goal of linking its National park establishments to entry gate accommodation in Auckland, Wellington and Christchurch. It finally achieved this and stepped around constantly changing policy positions by forming cooperative links with a private trader already operating in these locations.

The use of environmental values and agreements is qualified at the company interface by the character of the transmission and reception equation that exists within and among the organisational members themselves, (and most especially the organisational leadership), and what structural procedures have been developed to make the most efficient use of such knowledge. The literature abounds (22)(23) with case examples of inter-relational dissonance problems between organisations, and none more important than those concerned with strategic determining conditions related to company survival or decline.

In any organic-system sense organisations may be considered from the point of view of their environmental 'fit'. The

(22) Fink S.C. et al., Organisational Crisis and Change
Journal of Applied Behavioural Science, 7(1), 1971.

(23) Greiner L.E. Evolution and Revolution as Organisations Grow. Harvard Business Review 50(4), 1972, pp37 - 46.

long term success and survival of an organisation in a relatively stable environment subject to only minimal and evolutionary change, would tend to lead to the institutionalisation of organisational processes and procedures, which endorsed and sustained a match between the character of the organisation and the relatively stable and on-going demands of its environment. Although conditions have changed for organisations whose prime market is located outside and overseas it seems that such a match would remain the case for the more regionally located firms and those whose prime and sustaining market remains domestic. Government participation and direction has tended to provide, in bio-system terms, an ecological buffer which moderates or diverts the main thrust of change against any specific operator or sector and absorbs the constraints and tensions in the economy as a whole. In the long term such a national decision making structure, from a free trader position, would again select against organisational change from within and select for the retention of existing conditions, and thereby guarantee an even greater upheaval at a point further along the development vector.

A further by-product of a 'select out' process of this kind would be the endorsement of values and norms which identified and reinforced the status quo as legitimate and desirable for itself; additionally change would be identified automatically with uncertainty and insecurity, with little functional gain to be had by allowing change as the acceptable and desirable consequence of growth and progress. Adaptation and modification skills are downgraded and substituted by those which stress the location and maintenance of equilibrium targets and normality behaviours.

Thompson and McEwan (24) define competition

- (24) Thompson J.D. and McEwan W.J. Organisational Goals and Environment: Goal-Setting as an Interaction Process. American Sociological Review 23(1), 1958, pp23 - 31.

as that form of rivalry between two or more organisations which is mediated by a third party. For the manufacturer it may be the customer, supplier or labour force component.

Competition invokes a complicated network of relationships that includes the context for resources as well as customers and clients and in a complex society it includes rivalry for potential members and their loyalties. In each case competitive processes can effect organisational goal choice; competition tends to prevent unilateral or arbitrary choice of organisational goals or to correct such a choice once made. It is an important means of eliminating not only inefficient organisations but also those that seek to provide goods and services the environment is not willing to accept.

The description and interpretation of the organisations operational matrix allows the state of the environmental condition to be assessed for competitive relationships. The assumption of stability and permanence in New Zealand belies the fact that even where fairly stable and dependable expectations have been built with important elements of the organisational environment (the political process, administrators, other competitors) the organisation cannot assume that these relationships will continue.

What is important from a total organisation climate point of view is that competitive stability is functional to all relationships, and that such stability is coincidental and contiguous within the respondents own organisation and across the other broad groupings of external interest and effect. The need to define and sustain a stabilizing bonding with each reference group in turn is a function of both the particular one-to-one negotiated relationship and the overall gestalt, which arises out of the summed joint contributions of each separate negotiation - the totalled

environmental position of the organisation is both qualitatively and quantitatively different from the parts. Each of these two levels of negotiated relationships shift, evolve and adjust. Some relationships are more easily defineable than others and are shaped overall by legal boundaries such as negotiated contractual linkages with organised labour. Government policy is subject to cyclic variation and over the long haul may consist of extension beyond the traditional supportive and facilitative relationships to include manipulative and directive dimensions, often acquired when passage is effected over and through periods of national dysfunction and turbulence.

It is questionable that constant (long term) and high order competitive conditions exist let alone are acceptable as organisational growth options and futures in New Zealand. Control by committee and decision making in the consensus style are enforced as ideal methodologies suitable for business practice - such organisation survival and growth choices may be considered as representative of co-optive styles. The research attempts to measure the control and decision making values over the human resource function of chief executives and by extension apply the attitude dimensions to organisational relationships with the environment (25).

Co-optation may be viewed as the process of absorbing new elements in the decision and policy determining areas of the organisation as a means of averting threats to its stability or existence. The effective use of expertise may be viewed as a contribution to this procedure. In New Zealand the prime co-adaptive relationship has lain between the individual enterprise and the supra-service state mechanism with its attenuated and pervading bureaucracy. This process places, (through voluntary or enforced negotiation), the outsider representative, (government

(25) Thompson J.D. and McEwan: op.cit.

authority or other), in the position to determine the mainframe for goal making decisions and to take part in the consideration and organisation of strategic consequences.

Environmental control and influence is not a one-way process limited only to consequences for the organisation of activity in its environment. The enterprise that competes is not only influenced in its goal setting by what the competitor and the third party may do but also exerts influence over both. To determine its supra or subordinate position with respect to competitive goal formation the functional credibility of the organisations purpose must be endorsed; this should not be seen only as a passive accepting one-way society-to-organisation flow, and the differences between effective and ineffective organisations may well be in the levels of originality and initiative exercised by the organisational members responsible for goal setting practices (26).

The ability of an executive to win support for a strategic objective may be as vital as his ability to foresee the utility of a new idea. His role as a provenor of new ideas may be as important to the business culture as to his organisation, for as the environment becomes increasingly diffused and homogenized, the importance of new objectives may be more readily seen by the isolated and specialised expert segments than by the general society. One of the requirements for survival appears to be the ability to learn about the environment accurately enough and quickly enough to permit organisational adjustments in time to avoid extinction (27).

(26) Spencer, P. and Sofer, C. Organizational Change and its Management. Journal of Management Studies, 1964, pp

(27) Burns, T. Micropolitics: Mechanisms of Institutional Change. Administrative Science Quarterly, 6(3), 1961, pp257 - 281.

Much of the constant employment of New Zealand's higher level technology depends on contracted relationships governing continued inputs to the growth model, between the locally based resource and skill deficit firm and the provernors who control the licence or sale of growth tools and techniques from outside. Two major considerations are linked to this through-put and use relationship: the inability to sustain the flow of the input which is administered by government established quota and fiscal controls and the efficient use of the through-put in the organisational process itself (28).

If shortfalls are perceived as existing then a definitional and realignment problem exists between the resource users and the resource administrators. The ideology of resource use, and support for the use and control of such resources, is both tied to ultimate ownership and ultimate accountability. It implies that conceded rights to use and administer 'scarce resources' to and for the match with 'unlimited and competing ends' can be phased into a definition of national growth objectives and futures. The measurement of overlap and conjunction between these two groups in attitudes towards growth and change is a major research area in itself and involves, in addition to overall national directions, the identification and fit of regional and local aspirations at one end of the scale and roles and goals of an international character at the other.

(28) Cadwallader, M.L. The Cybernetic Analysis of Change in Complex Social Organisations, American Journal of Sociology, 65(2), 1959, pp154 - 157.

The Conservatism Measure

The research employed a measuring device adapted from the work of Wilson (29) for the assessment of extreme levels (LOW, HIGH) of Chief Executive conservatism. Wilson perceives conservatism as having the character of a general factor which underlies the entire field of social attitudes. His conceptual treatment and description of conservatism focuses particularly upon the conditions and characteristics of change.

The research looks for significant relationships between this dimension of chief executive personality and in particular two areas of major importance to growth - the competitive posture adopted by the organisation and its attitudes towards the innovation processes involved in change. The sum of individual organisational positions on each of these variables describes the inter-organisational operating matrix for the business culture that is typically New Zealand.

Any realignment of national policies is shaped by the degree to which the business culture is sympathetic or resistant to change in general and certain types or directions of change in particular.

In order to meet and succeed in accommodating change the organisations that accept change as a desirable survival state imply a leadership satisfactorily oriented to the adaptive and innovative process.

In the broadest sense change expressed as adaptive growth behaviour may be considered within the context of an organisational approach to and use of innovative strategies and policies; e.g. Ray (30) hypothesises that conservatism may well be represented in organisations by anti-innovative stances.

(29) Wilson G. The Psychology of Conservatism, Academic Press, London, 1973.

(30) Ray, John J. Conservatism, Authoritarianism and Related Variables: A Review and Empirical Study in Wilson, G. The Psychology of Conservatism, Academic Press, London, 1973, p 17 - 35.

The most determining endogenous influence on an organisations relationships and attitudes towards its competitors and its environment stems from senior management levels, and the futures such leadership is able to cast in the organisational entrails. Inevitably the predispositions and motivations in their personalities will shape futures that match their personal visions of desireable growth paths for the companies they are set to manage.

The existence of differential levels of conservatism is considered by several authors to have potential effects on the postures adopted by organisational leaders towards the environment with which the companies must interact (31)
(32) Fig (1)

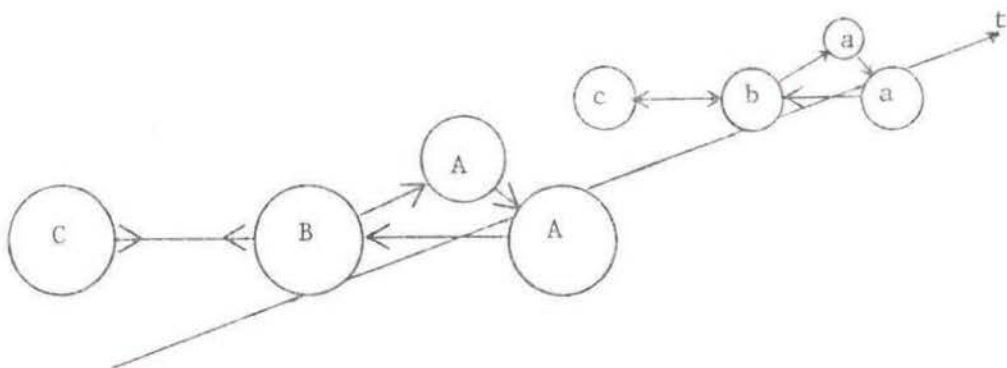


Fig (1)

Companies typically high in conservatism tend to support positions that characterise the status quo (B) or are reactionary in style (C). Organisations that support and endorse innovation are identified with position (A). As the model suggests the innovators of any generation that

(31) Rokeach, M. The Open and Closed Mind, Basic Books, Inc. N.Y. 1960.

(32) Eysenck, H.J. The Psychology of Politics, Routledge and Kegan Paul, London 1954

attains successful and satisfying levels of achievement (organisational goals, objectives) become the defenders and advocates of these attained situations which in the unfolding order of events becomes progressively identified with the status quo. A's become B's become C's in their turn. To retain an organisation in a permanent innovative condition over extended and enduring time periods implies very significant consequences for both the organisational entity and for its members: a high degree of support for the ideals of change and a capacity to withstand varying rates of change in changing directions while still retaining a coherency in the total organisation - this in turn assumes that organisational membership changes are in sympathy and do not debilitate the change capacities as the company unfolds.

Experiments in the institutionalisation of permanent change postures and processes as accepted and legitimate life style goals were attempted at the geopolitical level in the mainland Chinese totalitarian political process; this utilized change as an on-going evolving condition that balanced the protection of any derived and accumulating benefits of change against the risk of settling for less than the realisation of total target attainment.

The research attempts to identify the special characteristics of Chief Executives and their organisations that were found to occupy the relative positions of A and B. Successful company survival policies would be represented by a blend of utilitarian attitudinal and behavioural norms gleaned from and tested in the immediate community of the companies operating environment. The on-going logic of such policies holds that organisational survival and growth must reflect the effective handling of change and express what is defined by the environment as legitimate, valid, and accepted within the process of the larger community (33)(34).

(33) Chamberlain N.W. Enterprise and Environment; The Firm in Time and Place, McGraw Hill Co, 1965.

(34) Tolman E.C. and Brunswicke E. The Organism and the Causal Texture of the Environment. Psychological Review, 42, 1935, pp 43 - 72.

From this viewpoint high levels of conservatism in organisational behaviour may be as effective a survival form as any lesser measure if the weight of summed community attitudes ascribes high legitimacy to this characteristic; in an alternative sense although it is a survival type for the immediate operating conditions, (time or geographical), it may become a constraint when adaptive patterning is called for.

An organisations behaviour may be considered essentially an expression of its members perceptions, attitudes, personality characteristics; the organisations' dealings with other groupings of interests assumes an operationally satisfactory match of these characteristics in its leadership with those with whom it must maintain successful relationships. This would be reflected in a high potential for organisational interaction across the boundaries of business environment/total environment and across the organisational boundary into and between other business organisations. A similar interaction potential exists at the higher levels of policy formation within most profit centered organisations; this occurs between chief executives and any board of directors or other controlling assembly charged with shared responsibility for the organisations future. The on-going co-adaptive response of each to the other and the organisations chosen futures may be a function of their relative conservatism sets e.g. producer controlled agricultural boards with innovative executives; or new organisational directions occurring with absorption of one company by another where new innovation directions and levels are introduced with changes in the shareholding.

The implication of this for change prone organisations is that the summed relationships should be, in a total, at such satisfactory levels, that the individual relationships are survival ordered for success and in the required order of

the need for success, and that over time this pattern is sustained (35)(36).

(35) Child, J. Organisational Structure, Environment and Performance: The Role of Strategic Choice, Sociology 6, 1972, pp1 - 22.

(36) Chamberlain N.W. : op,cit.

Time Measures in the Research

Heirich (37) states that because few theorists accept the relevance of time to their explanations, the analysis of social change (and appropriately in this case organisational change) remains vague and causal links far from clear.

He maintains that we gain more assurance that an observed correlation represents a causal link if we can establish a sequence of events - the establishment of a relationship (constant or varied) in the context of consecutive time periods.

Within the research time measures are used in establishing the intensity of respondent organisational values. Time estimations employed as frameworks for the purposes of comparison are subjective and culture bound and within any given cultural context the perception of time may vary radically from that of adjoining cultures. Consequently comparisons of rates of change even across apparently similar 'business cultures' within a set of given boundaries (say nation state) can be difficult and tenuous. In the use and deployment of time estimations organisational change events should not be confused with simple social process flow.

Time values also intrude in the durational component of each outcome and the constraints imposed by the unfolding relationship of the organisation to its environment. Successful and sustained growth may be perceived as the result of time ordered coherent change which effectively relates the pace of endogenous to exogenous change. It would be a rare organisational form whose patterned life processes were sufficiently isolated from or impervious to environmental effects that could regulate completely its staged growth without determining inputs from outside. A planned sequence of organisation events represents the extension of internal organisational rhythms

(37) Heirich M. The Use of Time in the Study of Social Change, American Sociological Review, 29(3), 1964, pp 386 - 397.

which selectively have allowed the organisation to progress; any stepped up, rapidly varying, unstable conditions could (as in a dynamic turbulent state) create a resonance between the organisation and its environment and lead to its collapse. Such possibilities are not unreal especially in the effect of government monetary and fiscal policy administration where broadband embracing measures are time set to gross targets and national goals; any effective implementation of such policy results, not so much from the ultimate 'correctness' of the policies in a disinterested sense but in their careful and skilful application to the time order and senses of the organisational exception.

Time settings and perspectives (as expressed in rates and quantities of change) are available to string together organisational strategies and perspectives and as such determine sequences in environmental events and choices. In short, time as a causal linkage and quantitative measurement might be paired to predict particular qualitative outcomes in a process of change. If it is possible to measure the rate of respondent perceived change in a given variable and the time interval necessary to set a larger process of change in motion, then the maximum and minimum rates associated with various levels of structural penetration and control of the environment might also be predicted. Within the research dimensions time is used as a spacing, rating and measuring device.

Chapter Two

RESEARCH OBJECTIVES

One

To measure and evaluate the relationship between high and low levels of conservatism in New Zealand Chief Executives in its influence on a selected group of chief executive related attitudes and conditions.

Two

To measure and evaluate the relationship between high and low levels of conservatism in New Zealand Chief Executives in its influence on their company's approach to or policy on a selected group of change related conditions.

Three

To measure or evaluate change associated attitudes and processes in Chief Executives and the companies they manage.

RESEARCH HYPOTHESES

{Ho (1)}

That no significant difference exists in the policies of companies grouped by the level of their Chief Executive conservatism (high, low), towards Competition for both the Short and the Long Term.

{Ho (2)}

That no significant difference exists in the policies of companies grouped by the level of their Chief Executive conservatism (high, low), towards Innovation for both the Short and the Long Term.

{Ho (3)}

That no significant difference exists in the Supervisory Values of Chief Executives as between those Chief Executives who are high or low in conservatism.

{Ho (4)}

That no significant difference exists in attitudes held towards Human and Economic Conditions as between those Chief Executives who are high or low in conservatism.

{Ho (5)}

That no significant difference exists in the levels of Stress and Tension as between those Chief Executives who are high or low in conservatism.

RESEARCH DIMENSIONS EMPLOYED IN THE HYPOTHESES

Conservatism: This identifies the measure adopted after assessment by pilot testing of the most appropriate means of dividing the sample into those Chief Executives who are very high or very low in conservatism.

- 1 Competition: these are identified as VAR(053, 054) in the Variable List.
- 2 Innovation: these are identified as VAR(142, 143) in the Variable List.
- 3 Social and Economic Conditions: these are identified as VAR(161 to 169) in the Variable List.
- 4 Supervisory Values: these are identified as VAR(179 to 186) in the Variable List.
- 5 Stress and Tension: these are identified as VAR(192 to 199) in the Variable List.

RESEARCH METHOD

Sample

A self-report questionnaire (Appendix (2)) was mailed to the Chief Executive Officers in each of the 1,250 individual business management units compiled as a research sample from listings of registered New Zealand companies (1). It was anticipated that on the basis of another researcher's (2) prior experience with this group that a return rate of completed questionnaires in the range of 35-40% was a reasonable assumption. A usable return rate of 35.8% was in fact realised (N=448). Prior experience (3) with similar occupational levels and types seem to indicate and confirm returns of this order. The Author's return rate for an attitude survey in the Tourism sector with Hotel Managers yielded a return of 35% of the selected sample (4).

SAMPLE CHARACTERISTICS

Since overall population information was available in processed statistical form the degree of match of the final sample returns to the original population was calculated and any adjustments (none were needed) to cell groupings generated along the major demographic parameters could be made to retain final sample integrity and representativeness.

The sample was drawn from firms distributed across all main centres of urban growth that support substantial commercial and business activity. Provincial centres are included and

-
- (1) F.E.P. Productions Ltd, The New Zealand Business Who's Who, 1975 (Sixteenth) Edition.
 - (2) Shaw, D. Profit Goals & Social Responsibility, Occasional Paper No. 11, Dept. of Business Studies, Massey University
 - (3) Hines, G.H. The New Zealand Manager, Hicks, Smith and Sons, Wellington. 1973
 - (4) Smith, R.W. New Zealand Hotel Manager Survey - a research report, Business Studies Dept., Massey University, 1976.

a first run in this area was conducted through a Pilot study carried out in the Palmerston North area with the questionnaire, before its wider National application. The projected and realised sample yielded a mix of both North and South Island firms, varying ratios of industry- environment relationships and measures of growth expansion and development from older established areas to those new and more recently growth centred. It was anticipated that the range of environmental surrounds would variously effect several and significant differences in the conservatism levels and perceptual valuations of Chief Executives: e.g. minority race and culture group influences (attitudes towards) as between Auckland and Dunedin. In addition to being geographically heterogeneous the sample was designed to embrace a spread of principal business activities (Manufacturing through Servicing) and company size based on a range of employee number strength.

In the sample analysis that follows both the overall characteristics and the conservatism distribution are contrasted.

GEOGRAPHICAL DISTRIBUTION (ALL EXECUTIVES)

An original sample (N:1250) was drawn; the breakdown of this sample is matched against the response returns for each major geographical area (Table (2)).

		<u>Sample Comparison</u>			
		<u>Geographical Distribution</u>			
		<u>Sample Response</u>		<u>Original Popl.</u>	
<u>North Island One</u>		N	%	N	%
Auckland		163	37.8	450	36.0
Auckland rest		77	17.9	250	20.0
		<u>240</u>	<u>55.7</u>	<u>700</u>	<u>56.0</u>
<u>North Island Two</u>					
Western rest		31	7.2	63	5.0
Eastern rest		6	1.4	25	2.0
Wellington		71	16.4	163	13.0
		<u>108</u>	<u>25.0</u>	<u>251</u>	<u>20.0</u>
<u>South Island One</u>					
Nelson		3	.7	36	3.0
Christchurch		46	10.6	100	8.0
		<u>49</u>	<u>11.3</u>	<u>136</u>	<u>11.0</u>
<u>South Island Two</u>					
Dunedin		21	4.9	88	7.0
Invercargill		2	.5	50	4.0
South Island rest		11	2.6	25	2.0
		<u>34</u>	<u>8.0</u>	<u>163</u>	<u>13.0</u>
		<u>Summary</u>			
			%		%
{North	One	55.7	56.0		
	Two	25.0	20.0		
South	One	11.3	11.0		
	Two	8.0	13.0		
		<u>100.0</u>	<u>100.0</u>		

Table (2)

The final sample closely and satisfactorily matched the original sample population.

	North		South		Total
	One	Two	One	Two	
Original Population	56.0	20.0	11.0	13.0	(100.0)
Sample Response	55.7	25.0	11.3	8.0	(100.0)

COMPANY SIZE DISTRIBUTION

Table (3) outlines the spread of the sample for company size matched against the response returns.

Company Size (Employee Nos)	<u>Percentage of Match</u>	
	Sample %	Return %
50 - 100	35.4	30.4
101 - 250	31.6	33.6
251 - 500	12.3	15.3
501 - 750	8.1	6.7
751 -1000	4.1	3.0
1000 +	8.5	11.0
	<u>100.0</u>	<u>100.0</u>

Table (3)

The sample/return match is close and satisfactory for the purposes of the research.

CHIEF EXECUTIVES

The sample was analysed for significance trends in both the spread of Executive characteristics and the distribution of those characteristics as they reflect the effect of the LOW/HIGH conservatism dimension.

GEOGRAPHICAL DISTRIBUTION

a)

Geographical Distribution	<u>Executive Conservatism</u>			
	Level		Level	
	Low		High	
	N	%	N	%
North Island				
One	35	71.4	23	53.4
Two	10	20.4	6	14.0
	<u>45</u>	<u>91.8</u>	<u>29</u>	<u>67.4</u>
South Island				
One	3	6.1	6	14.0
Two	1	2.1	8	18.6
	<u>4</u>	<u>8.2</u>	<u>14</u>	<u>32.6</u>
Totals	<u>49</u>	<u>100.0</u>	<u>43</u>	<u>100.0</u>

Table (4)See Fig (2)

- b) Expressed as percentage of the total sample as between North and South Island sample populations.

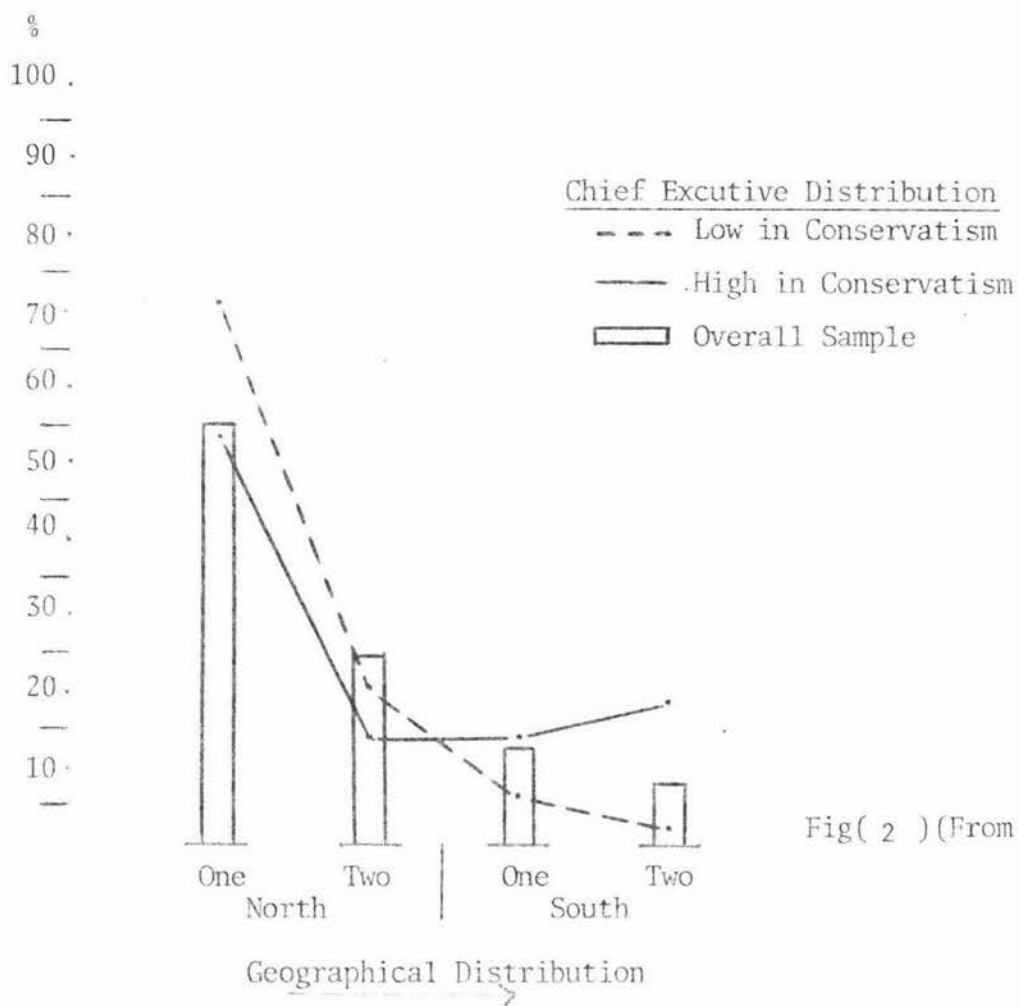
Sample Area	<u>Conservatism Levels</u>			
	Low		High	
	N	%	N	%
North Island	45	12.4	29	8.3
South Island	4	4.8	14	16.9

Table (5)

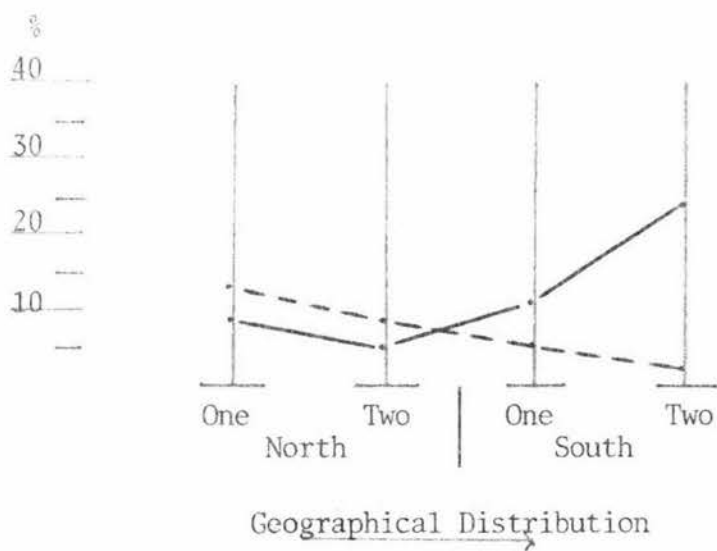
- c) Overall Conservatism Mean for each Area Sample

Sample Area		$\bar{x}$	(N)	Scale
North Island	One	10.22	(244)	0
	Two	10.54	(109)	
South Island	One	11.59	(52)	
	Two	12.81	(33)	
			<u>438</u>	20

Table (6)



Fig(2)(From Table 4)



Fig(3)(From Table 7)

		<u>Conservatism Levels</u>				
Sample Area			LOWc	Median	HIGHc	
(244)	North Island	One	13.5	77.1	9.4	(100.0)
(109)		Two	9.2	85.3	5.5	(100.0)
(52)	South Island	One	5.8	82.7	11.5	(100.0)
(33)		Two	3.0	72.8	24.2	(100.0)

Table (7)See Fig (3)

The tables reveal a significant difference in the spread of executive conservatism for company head office distribution throughout New Zealand.

- a) The overall means ($\bar{x}$)Table (6) for total sample populations for each of the four areas rise in conservatism as the sample moves from North Island One (Auckland and its surrounding areas) to South Island Two (Invercargill, Dunedin and their surrounding areas).

($\bar{x}$) 10.22 rising to ($\bar{x}$) 12.81 (d=2.59; converted to a percentage expression this is equivalent to 14.1% on a 0 to 100 scale).

- b) The breakdown of the two conservatism sample groups highlights significant variations in the distribution patterns across the (*) LOW/HIGH dimension

Figs (2)and(3) represents graphically the proportional distributions of both the total sample population and the two conservatism sub-groups. On a proportionate basis a marginal dominance by the LOWc group appears in the North Island and a clear dominance by the HIGHc Chief Executive in the South Island. In neither of these two sub-groups does the proportionate distribution 'mimic' or 'follow' the main sample distribution and each moves relatively

(*) (Read, LOWc = Low in Conservatism
HIGHc= High in Conservatism)

but independently of the other across the geographical parameter.

Alternatively and additionally, considering the conservatism sample as components in the total sample populations for the North and South Islands, in the relative representations of these groups can be contrasted. (Table 5)

At 12.4% and 8.3% both LOWc and HIGHc executives are present in approximately equal proportions in the North Island; for the South Island however those HIGHc are in proportionately greater representation - LOWc (4.8%) to HIGHc (16.9%): a ratio of 1 : 3.5.

COUNTRY OF BIRTH (CONSERVATISM)

Country of Birth	Degree of Conservatism			
	Low		High	
	(N:49)		(N:43)	
	N	%	N	%
New Zealand	28	57.1	38	88.4
Other	21	42.9	5	11.6
	49	100.0	43	100.0

Table (8)

Overall Proportion Distribution				
Country of Birth	Low		Full Sample	
	N	%		
New Zealand	28	(8.0)	(352) {78.6}	38 (10.8)
Other	21	(21.9	(96) {21.4}	5 (5.2)
			(100.0%)	

Table (9)

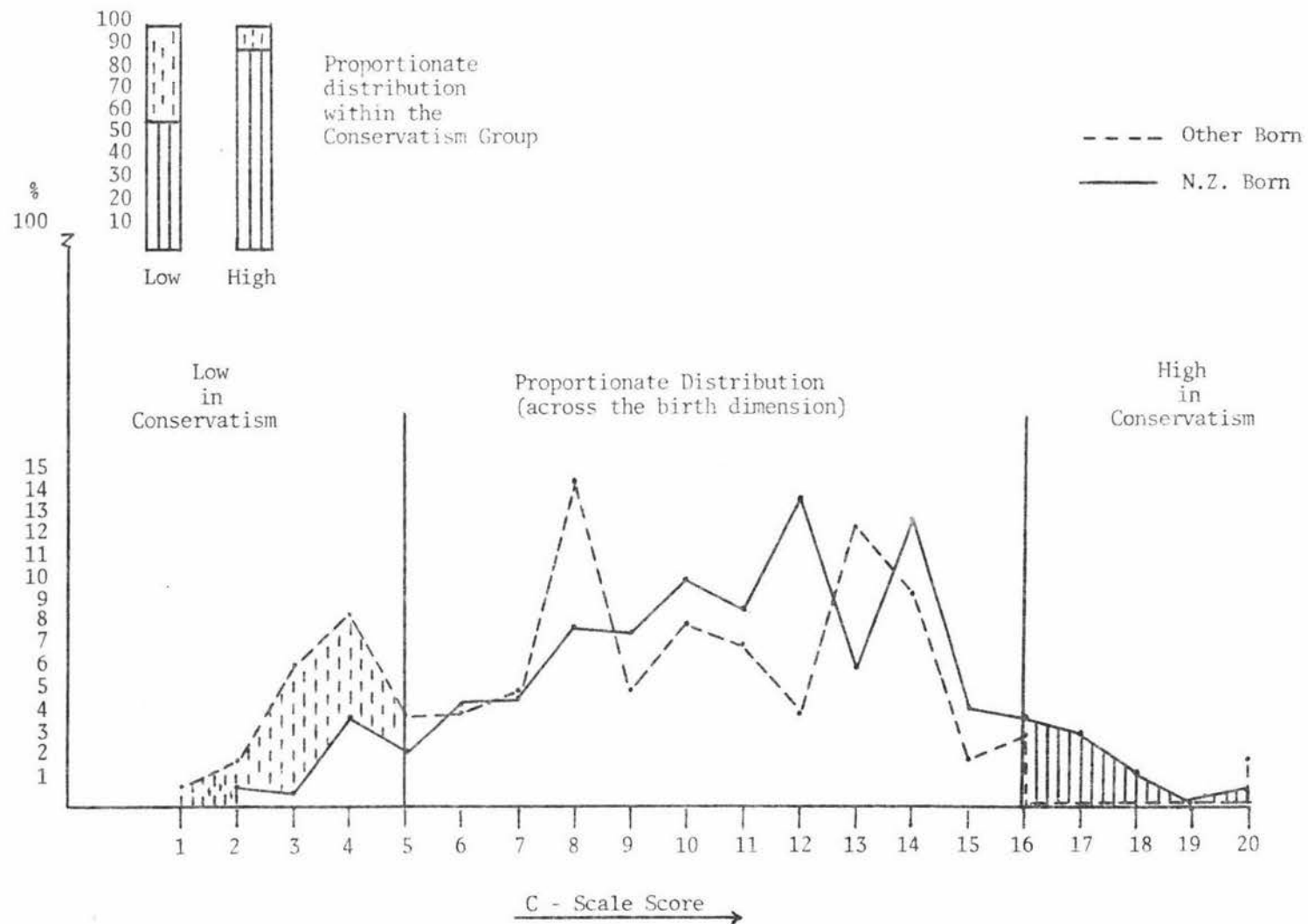


Fig (4)

Relationships

For the New Zealand born approximately equal proportions of executives are to be found in the LOWc as contrasted with HIGHc sub-groups.

{8.0% contrasted with 10.8%}

For Other Born executives four times as many are distributed in the LOWc as opposed to the HIGHc category.

{21.9% contrasted with 5.2%}

Fig (4) contrasts the proportionate distribution of the sample for each step in the conservatism scale. Although the scale is employed for sorting high and low conservatism sample groups only, the figure does show the relative distribution of these sub-groups in contrast with the spread of the overall sample - the dominance of the Other Born birth category in the LOWc group and the almost exclusive occupance of the HIGHc birth category by New Zealand executives.

{NOTE: for sample analysis purposes it should be noted that the representation of the country of birth ratio for New Zealand as contrasted for Other Born varies significantly as between the LOWc and HIGHc groups.

Country of Birth Ratios

	New Zealand	:	Other
Low	1.33	:	1
High	7.6	:	1
Overall	3.7	:	1

In contrast with the overall distribution ratio of (3.7:1) the LOWc group tends to be underrepresented at (1.33:1) and the HIGHc group overrepresented at (7.6:1) by the New Zealand born Chief Executive}.

COUNTRY OF BIRTH (GEOGRAPHICAL DISTRIBUTION)

Geographical Distribution		<u>Country of Birth</u>						
		New Zealand Born			Other Born			{%}
		N	%	{%}	N	%	{%}	
North Island	One	185	53.5	{75.8}	59	64.1	{24.2}	{100.0}
	Two	86	24.8	{78.9}	23	25.0	{21.1}	{100.0}
South Island	One	44	12.7	{84.6}	8	8.7	{15.4}	{100.0}
	Two	31	9.0	{93.9}	2	2.2	{ 6.1}	{100.0}
		100.0			100.0			

Ratio Summary

Sample Area			
North Island		New Zealand : Other	
	One	3.1	: 1
	Two	3.7	: 1 3.3 : 1
South Island			
	One	5.5	: 1
	Two	15.5	: 1 7.5 : 1

Table (10)

Relationships

As the sample moves geographically North to South there is a proportionate increase in the representation of New Zealand born to Other born managers. The ratio of New Zealand born to Other born for the North Island conforms closely to the overall sample ratio of (3.7:1); the overall ratio for the South Island (at 7.5:1) is approximately double this mean and points up the disproportionate representation of the New Zealand born executive to the Other born.

This shift in ratios within each sample cell area compares with the actual distribution across the birth dimension itself. Both distributions follow the total sample fall and match relatively closely cell by cell from North to South. It is worthwhile noting however that the Other

born executive group compared with the New Zealand born has 10.7% more of its distribution located in the North Island all but (.1%) of which coming from a difference arising in North Island One (Auckland and environs).

EDUCATION

Table (11) below gives the distribution of LOWc and HIGHc Chief executives by their Country of Birth, Country of Education and the Level of education achieved.

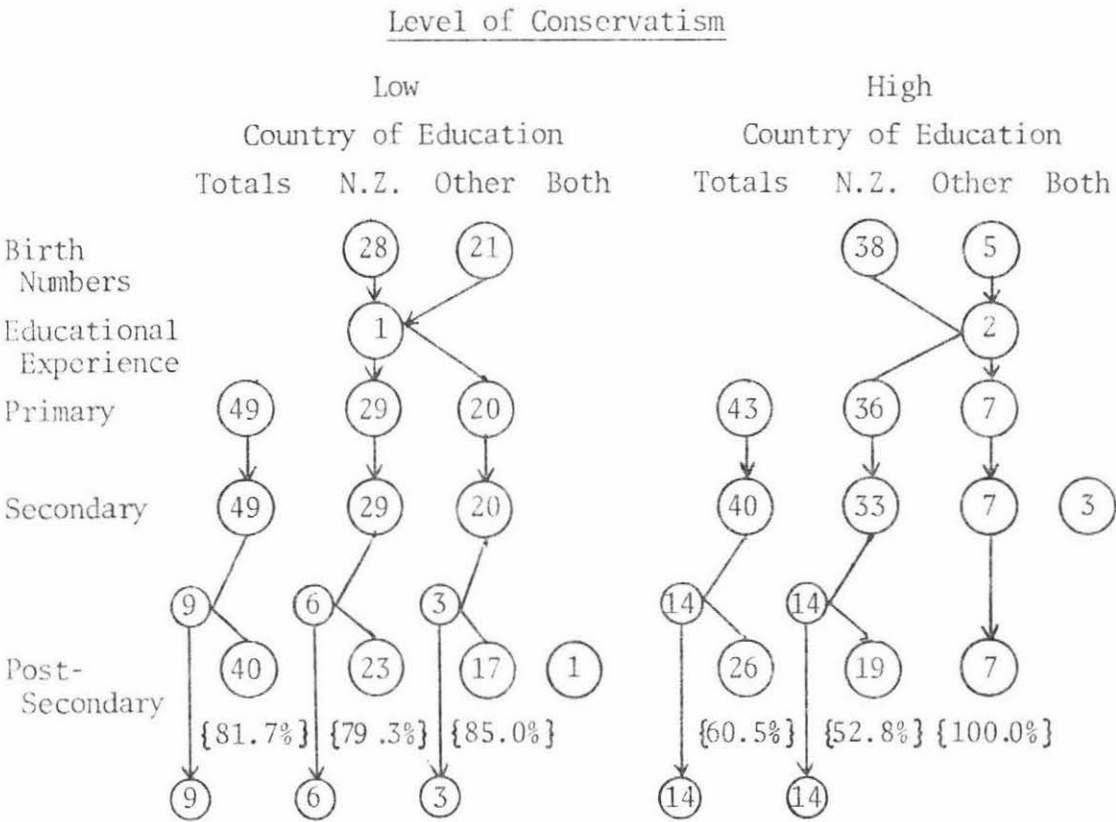


Table (11)

Relationships

The following were identified.

- a) Overall 81.7% of LOWc Chief Executives compared with 60.5% of those who are HIGHc achieve an educational experience from Primary through to Post-secondary.

(a difference of 21.2%)

- b) Within the LOWc grouping very similar percentages of executives New Zealand or Other Born, achieve education to Post-secondary levels.

(79.3% for New Zealand compared with 85.0% for Other Born).

- c) Within the HIGHc grouping considerable differences exist in the educational experiences of Chief Executives as between New Zealand and Other Born.

Whereas 52.8% of New Zealand born executives achieved Post-secondary levels, all Other Born (100.0%) reached this standard, although the actual number of Other Born HIGHc is small at 7 and this comparison is therefore qualified. The trend is supported however by a comparison with the pattern of the full sample distribution Table (12).

Educational Experience	<u>Country of Birth</u>				
	New Zealand		Other		(d)
	N	%	N	%	
Primary	356	100.0	91	100.0	(0.0)
Secondary	349	98.0	91	100.0	(2.0)
Post-secondary	213	59.8	71	78.0	(18.2)

Table (12)

Table (12) shows that 59.8% of all New Zealand as compared with 78.0% of Other Born executives (including HIGH, LOW,etc)

who commence their education in New Zealand or Overseas actually achieve a Post-secondary educational experience. A difference of 18.2%. Since only 14 out of the full sample have had cross-over experience (born in one country, educated in another) this is equivalent to saying that country of birth effects are represented in the pattern of the educational experience.

New Zealanders born and educated in New Zealand tend to have a more fore-shortened educational experience than Other Born and educated.

- d) LOWc New Zealand executives tend to reach higher educational levels than HIGHc New Zealand executives: (79.3% compared with 52.8% - a difference of 26.5%)

Whilst the sample is small for HIGHc Other Born executives (7) both (HIGH and LOW conservatism) Other Born educational goal achievements are higher than New Zealanders for the same categories.

COMPANY OWNERSHIP DISTRIBUTION

The sample was tested to determine any effect or relationship company ownership might have on the distribution of the conservatism extremes. Table (13)(14).

	<u>Degree of Conservatism</u>				
Country of Ownership	Low		High		Overall N
	N	%	N	%	(d)
New Zealand Owned					
Wholly	21	42.9	23	53.5	(256)
Major	11	22.4	14	32.5	(95)
Sub Total	32	65.3	37	86.0	(20.7)
Overseas Owned					
Wholly	13	26.5	2	4.7	(55)
Major	4	8.2	4	9.3	(27)
	17	34.7	6	14.0	(20.7)
Overall Totals	49	100.0	43	100.0	

Table (13)

Table (13)

		<u>Degree of Conservatism</u>							
Country of Ownership	Low		High		Balance		Total		
	N	%	N	%					
New Zealand Owned	32	(9.1%)	37	(10.5%)	282	(80.4%)	351	(100.0)	
Overseas Owned	17	(18.5%)	6	(6.5%)	69	(75.0%)	92	(100.0)	

Table (14)

Relationships

- a) New Zealand owned companies tend to be more heavily represented in the HIGHc executive grouping than the LOWc:
86.0% as compared with 65.3%, a difference of 20.7%
Table (13).
- b) When the LOW/HIGH categories are rated as a percentage of the total number for each of the (country-of-ownership) categories, Table (14), the ratio of distribution as between LOWc and HIGHc for the New Zealand owned is approximately (1 : 1) but for overseas owned is approximately (3 : 1).
(9.1% contrasted with 10.5% and 18.5% with 6.5%).

Overseas owned companies tend to be relatively more heavily represented by LOWc Chief Executives than do the New Zealand owned: 18.5% contrasted with 9.1%. The representation of both groups in the HIGHc category tends to be more even but with the New Zealand owned possessing a marginal dominance: 10.5% contrasted with 6.5%.

OTHER VARIABLES TESTED

Company Ownership by Executives Table (15)

Company Control by Executives - Table (16)

The Nature of the Company - Table (17)

		<u>Degree of Conservatism</u>				
		Low		High		
Ownership		N	%	N	%	d
Total N	Type					%
(13)	Sole	-		-		(17.0)
(214)	Part	27	55.1	31	72.1	
(217)	Non	22	44.9	12	27.9	
444		49	100.0	43	100.0	

Table (15)

		<u>Degree of Conservatism</u>				
		Low		High		d
Executive Control		N	%	N	%	%
Total N						
(75)	Yes	4	8.2	7	16.3	(8.1)
(369)	No	45	91.8	36	83.7	
444		49	100.0	43	100.0	

Table (16)

		<u>Degree of Conservatism</u>				
		Low		High		
Nature of Company		N	%	N	%	%
Total N						
(233)	Public	28	57.1	23	53.5	(3.5)
(212)	Private	21	42.9	20	46.5	
445		49	100.0	43	100.0	

Table (17)

Relationships

Little influence was found to result from the effects of Executive Control or Nature of Company variables on the distribution of LOW/HIGH executive conservatism. In the case of company ownership it appears that ownership in part (and by implication in whole) tends to be more strongly represented in the HIGHc grouping than non-ownership. However, none of the Executives who are sole owners of the firms they manage (N:13) fell into either the LOWc or the HIGHc category and so this trend cannot be generalised from.

It does however raise questions concerning the relationship between property possession and ownership, as distinct from control, and the relative influences of both these parameters on individual conservatism. Do executives with conservative personality sets tend to demonstrate concern with the acquisition of property? Does property in this case equate with permanence and security, both held to be valued by conservative types? Are the LOWc types less inclined to be fixed by ownership commitments that may constitute interference with other more highly rated needs and motivations.

DEVELOPMENT OF A CONSERVATISM SORTING DEVICE

To integrate and enrich the demographic and attitudinal data a measure of Conservatism was applied to the Chief Executives, the device being adapted and derived from the work of Wilson-Patterson (1). The conservatism sorting instrument consisted of a 10 item subset, of those factor items (out of the original full fifty) which were sufficiently representative and definitive of the ability of the full test to sort and distribute respondents by the degree of their conservatism. The length, (50 responses are called for), of the main test prohibited and limited its utility in a self-report situation especially where no possibility existed for test administrative guidance and where it formed only a section of a larger and longer questionnaire. The test in the style and form in which Wilson-Patterson developed it did however, through its extreme simplicity, lend itself to mail applications if it was found possible to reduce the actual length; the use of a derived measure was conditional on the successful adaptation of the original device as a suitable and sufficiently accurate measure of extreme levels, (the limits of the range), of conservatism. The purpose of the measure was to provide a technique whereby the final respondent sample of Chief Executives could be sorted into two groups (very high) contrasted with (very low) in conservatism, and these groupings then compared and contrasted across other selected variables in the research. The original test had been developed and validated in and for New Zealand conditions.

It was proposed to develop a shortened form, (a reduction in the actual number of items used in the test), of the overall measure and the following research procedures were employed: the steps and procedure relationships are detailed in the Research Model. See, (Appendix 1, Fig (15)).

(1) See Appendix 1 for the full list of 50 word items employed by the Wilson-Patterson test instrument. (Appendix 1, Fig (15)).

Step 1: The full fifty item test was applied to a Massey University first year student sample (N=119). Item by whole correlations were employed to initially identify those items which most strongly inter-correlated with the overall conservatism score (level) for the full test. The fifteen strongest (I x W) correlations were identified and ranked in descending strengths.

Step 2: Using this initial identification a prediction was made that a further application of the full test to another different student sample (N=54) (from the same population type) would yield the same first fifteen item list arranged in the same item listing of (I x W) correlation order as for the first application.

A table (18) of comparisons sets out the Item by Whole correlations for the two applications and the Spearman (r) for the inter-correlations between the two applications for various combinations of the factor items.

COMPARISON TABLE

	Application One					Application Two				
	(I x W)		Rankings			(I x W)		Rankings		
	Value	R1	R2	R3	R4	Value	R1	R2	R3	R4
<u>Bible Truth</u>	.57	1	1	1	1	.64	1	1	1	1
<u>Divine Law</u>	.56	2	2	2	2	.60	2	2	2	2
<u>Legalised Abortion</u>	.56	3	3	3	3	.57	3	3	3	3
<u>Censorship</u>	.52	4	4	4	4	.56	4	4	4	4
<u>Church Authority</u>	.49	5	5			.39	10	8		
<u>Military Drill</u>	.47	6.5	6.5	5	5	.55	5	5	5	5
<u>Divorce</u>	.47	6.5	6.5			.31	14.5	10		
<u>Nudist Camps</u>	.44	8	8			.33	13	9		
<u>Modern Art</u>	.38	9.5	9.5	6	6	.45	6	6	6	6
<u>Royalty</u>	.38	9.5	9.5	7	7	.44	7	7	7	7
<u>Sabbath Observance</u>	.36	11				.43	8			
<u>White Lies</u>	.35	12				.41	9			
<u>Cousin Marriage</u>	.34	13		8		.38	11.5		8.5	
<u>Birching</u>	.24	14		9		.38	11.5		8.5	
<u>Coloured Immigration</u>	.20	15		10		.31	14.5		10	

Correlations of Rankings Between Applications One and Two

Rho =	.711 (R1 x R1)	First fifteen of the fifty items
Rho =	.739 (R2 x R2)	First ten of the fifty items
Rho =	.997 (R3 x R3)	Selected ten from the first fifteen
Rho =	1.000 (R4 x R4)	First seven of the selected ten

Table (18)

The correlations are of a sufficient order to support the proposition, that the strongest measure of identity to the overall conservatism score has been carried across the two applications of the test to two different samples, from a similar population type, by the majority of the items selected for inclusion in the final list. (Church - Authority)/(Divorce)/(Nudist Camps) are replaced for the final list by (Cousin Marriage)/(Birching)/(Coloured Immigration) for reasons of factor balance and representativeness. The remaining first seven items inter-correlate

perfectly. The flow of the item sort procedure is summarised in Fig (5) below.

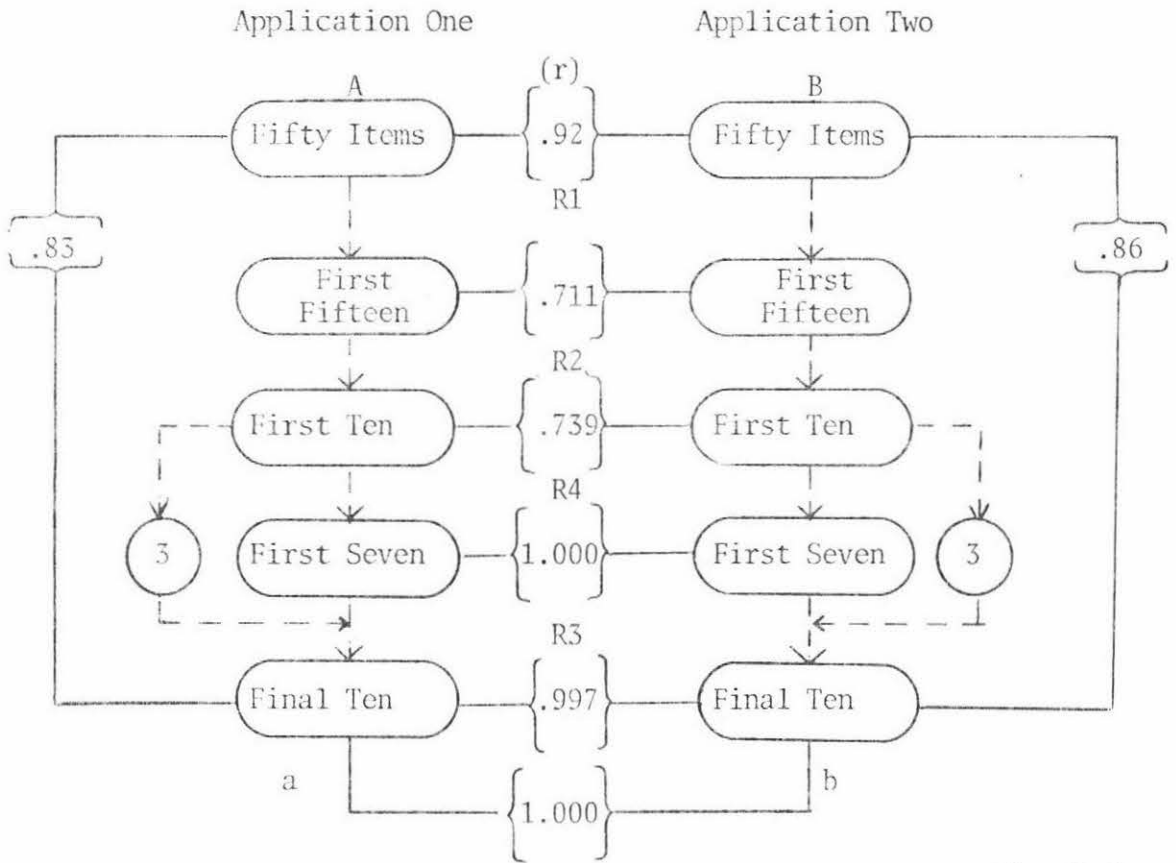


Fig (5)

To refine the selection of the final ten item list other approaches and analysis of the data were undertaken. Multiple Regression (step-wise) was applied to the pooled data for both applications. Table (19) shows a mean and S.D. analysis for each separate application. The statistical similarities and congruities were considered of a sufficient order to support such a pooling or merger of the responses from the two separate applications.

Statistical Comparison of the Two Applications

Overall	Mean	S.D.	N
First Application	36.45	11.21	119
Second Application	36.50	10.09	54
			173
<u>LOW Score</u>			
First Application	23.04	8.89	25
Second Application	21.44	9.01	9
			34
<u>HIGH Score</u>			
First Application	53.28	7.29	21
Second Application	50.89	7.80	9
			30

Table (19)

(A graphical representation may be located in Appendix (1) Fig (16)

Under Regression Analysis the first twelve items stepped out contained all of the final set of ten items identified through the Item and Whole correlations; the full tabulation and analysis is set out below Table (20).

Multiple Regression

Variable	Conservative Response	R.S.Q. Change
<u>Divine Law</u>	Yes	.275
<u>Censorship</u>	Yes	.167
<u>Military Drill</u>	Yes	.122
<u>Coloured Immigration</u>	No	.067
White Lies	No	.050
<u>Legalised Abortion</u>	No	.039
<u>Modern Art</u>	No	.035
<u>Royalty</u>	Yes	.024
<u>Birching</u>	Yes	.022
<u>Cousin Marriage</u>	No	.016
Nudist Camps	No	.014
<u>Bible Truth</u>	Yes	.013

(Items underlined(-) correspond with those isolated by Item x Whole correlation).

Table (20)

Another measurement perspective employed was to identify those factor items on which the greatest amount of disagreement occurred between the two groups LOWc (N=34) and HIGHc (N=30). Since the ultimate purpose was to develop a test instrument that would sort the sample into a LOWc/HIGHc dichotomy those items which tended to polarise attitudes and where the greatest gap existed between LOWc and HIGHc respondent postures would be expected to fulfil the test's objective. The first twelve items identified by this approach were:

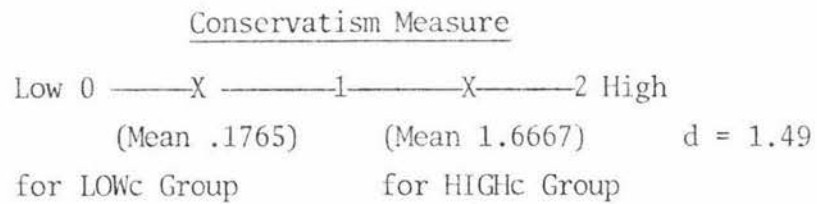
Item	Mean Score on Item (for N=173)		Diff (d) (0 - 2)	
	LOWc Group (N=34)	HIGHc Group (N=30)		
<u>Military Drill</u>	.18	1.67	1.49	High
<u>Bible Truth</u>	.21	1.57	1.36	
<u>Censorship</u>	.26	1.54	1.28	
<u>Divine Law</u>	.21	1.33	1.12	
Divorce	.10	1.13	1.03	
Sabbath Observance	.44	1.47	1.03	
<u>Modern Art</u>	.18	1.14	.96	
Cousin Marriage	.71	1.67	.96	
<u>Legalised Abortion</u>	.41	1.33	.92	
Church Authority	.17	1.06	.89	
<u>Royalty</u>	.65	1.53	.88	
White Lies	.24	1.10	.86	Low

(Items underlined(-) correspond with those isolated by the Item x Whole correlation).

Table (21)

{ Note 1: The mean differences are in ranked order from High (1.49) to Low (.86) and the figure in the Difference Column is the value of mean differences calculated on the scale 0 to 2.

e.g. Military Drill is the item on which the greatest difference occurs between the LOWc and HIGHc groups and the measure of that difference is 1.49.



Note 2: The Spearman(r) for the inter-correlation of the Rankings of the item differences between the two applications was .93 .

Note 3: A full listing and graphical representation of these differences may be found in Appendix (1)Fig (17)). }

The item list gained by the use of multiple regression (step-wise) was used as the basis for the final selection of items. The utility of this list may be considered high for its ultimate sample sorting purpose, since it expresses the strongest congruency between the individual items and the overall conservatism measure; the list contains eight of the first twelve items in which the greatest difference was found for the response of the LOWc as compared with HIGHc groups, and seven of the first ten items identified by Item x Whole correlation analysis.

Step 3: It remained to test the derived item list for its ability to sort and distribute the respondent sample into the same LOWc/HIGHc groupings as achieved by the full test.

The actual score order within these groupings was not considered important since the individual respondents would be measured and compared only through their contribution to a mean judgement.

Two levels of correlation comparison were employed:-
{Comparison of subject score distribution on the main and derived test within each application}.

{Comparison of the mean conservative response on each item across the applications one and two}.

Each individual respondent's conservatism score for the full test was R/o correlated with the scores on the derived test for both sample applications. This was done in order to gain the measure of congruence in the direction of respondent distribution as between the two tests. Additionally a measure was made of the percentage overlap between the two distributions so that both direction and actual spread was calculated and compared.

Results

The following correlations were found: (From Fig (5)).

		N	N
Application 1	A by a (.83)	(A = 50, a = 10)	
Application 2	B by b (.86)	(B = 50, b = 10)	

The following respondent distributions were found:

		<u>Conservatism Level</u>			
		Low	High	Overall	
		(% of	(% of		
		total N)	total N)		
		N	N	N	%
Application 1	A	25 (21.0)	21 (17.6)	119	(100)
	a	27 (22.7)	19 (15.9)	119	(100)

For the LOWc group A was found to contain 92.0% of respondents also contained in the a group. ($a \cap A = 92.0\%$).

For the HIGHc group A was found to contain 90.5% of respondents also contained in the a group. ($a \cap A = 90.5\%$).

		Low		High		Overall	
		(% of total N		(% of total N		N %	
Application 2	B	9	(16.7)	9	(16.7)	54	(100)
	b	9	(16.7)	8	(14.8)	54	(100)

For the LOWc group B was found to contain 88.9% of respondents also contained in the b group. ($b \cap B = 88.9\%$).

For the HIGHc group B was found to contain 77.8% of respondents also contained in the b group. ($b \cap B = 77.8\%$).

The means of conservative response on each item on both the full and derived tests (on a scale of 0 → 2) for both applications were ranked and inter-correlated.

A high order of correlation was taken to indicate that the ordering in the strength of conservative response among the constituent items of the test moved in a sufficiently similar direction to the ordering of the overall scores for the same test applications.

The following correlations were found: (From Fig (5)).

		N	N
A by B	(.92)	(A = 50,	B = 50)
a by b	(1.0)	(a = 10,	b = 10)

Use of the Instrument

The results above were taken to support the contention that the original prediction held true and that for the purpose of sample ordering into LOWc and HIGHc groupings the derived ten item scale may be substituted for the main fifty item scale.

It needs to be emphasized that the instrument is employed to identify extreme positions only, LOWc/HIGHc, on the personality dimension which Wilson identified as Conservatism. It does not attempt any refined measure of conservatism

itself.

It is these aggregate groupings which are used in turn to examine for differences on the other research variables.

Since the derived list had been developed from a student sample it was proposed that a form of post application validation of the measure as a conservatism sorting device for use on Chief Executives would be employed; this was effected by applying the scores of the Chief Executive for conservatism against a known conservatism related effect (2)(3), that with an increase in chronological age there is a measured and progressive increase in conservatism.

This was found to be the case and a correlation of .64 was achieved between these two variables with a high degree of significance; See, (Appendix 1, Fig (18)) for Scattergram.

Throughout the research all results identified as significant were established at the ($p = 95\%$) level of confidence.

-
- (2) Wilson G.D. and Patterson J.R. Manual for the Conservatism Scale N.F.E.R. Publishing Co. England, Windsor, 1970
 - (3) Wilson G.D. The Psychology of Conservatism, Academic Press, London, 1973, pp.53-54,65

PROGRAM DEVELOPMENT

Simultaneous with the C-scale adaptation was the development of the computer program for the analysis of research findings. The program followed the prescriptions and uses the sub-programs available within the B6700 S.P.S.S.(4) package. Where applicable the sub-program T-Test was used to evaluate significance between groups. A limitation is imposed with the S.P.S.S. version that is in use in that multigroup comparisons one-way and not two-way analysis of variance is available. Where multigroup comparison was desirable successive applications of the T-test were made for selected paired relationships within the multigroup package.

The developed and tested program was applied in the first instance to the returns on the pilot sample. This served the purpose of shaking down the program and scoring procedures within the questionnaire as well as providing worked 'provincial' Chief Executive characteristics for future provincial research and for present contrast and comparison with the main research.

The second application of the program was to the actual research sample returns and was used to develop and describe the topography of the sample and test the research hypotheses. Certain additional relationships were explored that amplified the significance found to exist in the hypothesis related findings.

Questionnaire Development

This followed the standard operating procedure of selecting a pilot group and applying the proposed questionnaire so as to be able to measure and assess its relevancy and pertinence for main sample use (19). A pilot sample of 350 senior management personnel close to the University region and within the Palmerston North area were used to test for questionnaire content and structure.

The questionnaire, in typeset printed and bound form, occupied 16 pages and contained 24 questions.

The number of variables solicited and measured by the questionnaire was 228. It was felt that the typeset format and image presentation would engender a higher and more adequate response rate. The questionnaire was distributed at the beginning of December 1976, and response flow ceased in February 1977. No follow-up techniques were employed to increase return percentages.

(4) B6700 S.P.S.S. (Statistical Package for the Social Sciences) as described in the Manual S.P.S.S. Nie, N.H., Bent, D.H., Hadlei Hull, C., McGraw Hill, 1970

(5) See(Appendix 1, Fig (19)).

Chapter Three

Hypothesis (1)

That no significant difference exists in the policies of companies grouped by the level of their Chief Executive conservatism (high, low) towards competition for both the Short and the Long Term.

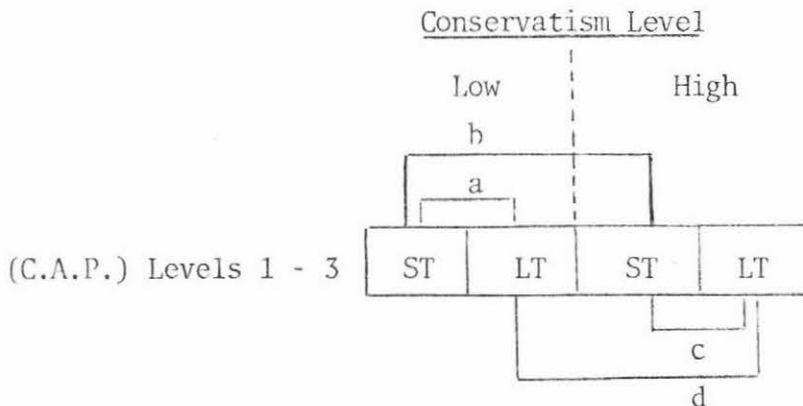
Respondents were asked to identify for two different time positions the overall competitive attitude of their company. Three attitude postures were identified:

Type one: This corresponded with the front running position - the number one placement in which the company expected to target for and gain a clear majority share (50% or more) of the available markets.

Type two: Companies which sought to possess a major but not necessarily the clear majority share of the available markets.

Type three: Represented by companies that moved to gain or maintain a sufficient share of the available markets that will satisfy its need to survive.

Results were quantified for the following testable relationships.



Testable Relationships

- {a} A contrast of the influence of the time horizon on the selection of company competitive attitude postures by executives LOW in conservatism: (Designated LOWc elsewhere).
- {b} A contrast of the short-term time horizon dimension of selection of company competitive attitude postures by executives who are either LOWc or HIGH in conservatism: (Designated HIGHc elsewhere).
- {c} A contrast of the influence of the time horizon on the selection of company competitive attitude postures by HIGHc executives.
- {d} A contrast in the long-term time horizon dimension of the selection of company competitive attitude postures by executives who are either LOWc or HIGHc.

Results Tables (22) and (23) detail the summary of findings.

Overall Competitive Attitude Postures (C.A.P.)

(C.A.P.)	<u>Time Period</u>			
	Short Term		Long Term	
	N	%	N	%
Type 1	(142)	32.1	(173)	39.1
Type 2	(206)	46.5	(212)	47.8
Type 3	(95)	21.4	(58)	13.1
Total	(443)	100.0	(443)	100.0

Table (22)

(C.A.P.) and Chief Executive Conservatism

(C.A.P.)	<u>Conservatism Level</u>							
	Low				High			
	Short Term		Long Term		Short Term		Long Term	
	N	%	N	%	N	%	N	%
Type 1	20	(40.8)	30	(61.2)	18	(41.9)	20	(45.8)
Type 2	19	(38.8)	14	(28.6)	17	(39.5)	15	(35.9)
Type 3	10	(20.4)	5	(10.2)	8	(18.6)	8	(18.3)
	—		—		—		—	
	49	(100.0)	49	(100.0)	43	(100.0)	43	(100.0)
	—		—		—		—	

Table (23)

Findings

The following significant differences (and relationships) were found to exist.

1 {a} Relationship

With respect to the (C.A.P.) of companies whose Chief Executives were assessed as LOWc, there is a proportionately greater employment of the 'Number One Position' for the Long Term as contrasted with the Short Term (time criteria of evaluation).

40.8% of companies whose Chief Executives are assessed as LOWc favour a 'Number One Position' in the Short Term.

61.2% of companies whose Chief Executives are assessed as LOWc favour a 'Number One Position' in the Long Term.

(A difference of 20.4%)

2 {b} Relationship

No significant difference was found in the Short Term as between executives contrasted on their levels of conservatism in the proportionate selection of competitive attitude postures.

(C.A.P.)	<u>Short Term</u>		d
	Low C	High C	
	%	%	
Type 1	40.8	41.9	(1.1)
Type 2	38.8	39.5	(.7)
Type 3	20.4	18.6	(1.8)

3 {c} Relationship

The (C.A.P.) of companies whose Chief Executives are HIGHc employ little increased use of the 'Number One Position' in the Long Term as contrasted with the Short Term condition. Essentially they tend to maintain their short run posture with the long term in direct contrast with LOWc executives.

(C.A.P.)	<u>HIGH C</u>		d
	Short	Long	
	%	%	
Type 1	41.9	45.8	(3.9)
Type 2	39.5	35.9	(3.6)
Type 3	18.6	18.3	(.3)

4 {d} Relationship

The (C.A.P.) of companies whose Chief Executives are LOWc contrasted with those whom are HIGHc makes more significant use of the 'Number One Position' dimension of that policy for the Long Term future of the company.

61.2% of companies whose Chief Executives are assessed as LOWc employ a 'Number One Position' in the Long Term.

48.8% of companies whose Chief Executives are assessed as HIGHc employ a 'Number One Position' in the Long Term.

(A difference of 12.4%)

Analysis

The real and measurable differences effected by conservatism levels are time related. The LOWc anticipates and plans a future that has a higher level of competitive energy than the HIGHc. For the short term any optimism related behaviour patterns tend to be shaped by the realities of the operating environment - it would seem most likely then that as long

terms become short terms positive attitude changes will be forced on executives irrespective of the pattern of activity that they would by inclination wish to follow. For HIGHc executives any change or compromise is small since their present competitive behaviour formats are projected forward as the anticipated behaviour style of the long term future; for the LOWc executive the problem of organisational change could consist of modifying arrangements between environmentally permitted and organisationally anticipated behaviour styles. Other variable relationships were tested in order to determine significant contributions to the differential on competition as between executives grouped by their conservatism levels.

COUNTRY OF OWNERSHIP

The distribution of competitive strategy was tested across the cross-cultural variable of Country of Ownership.

Table (24) below.

Country of Ownership Effects on Competitive Posture

(C.A.P.)	<u>Country of Ownership</u>							
	<u>New Zealand Owned</u>				<u>Overseas Owned</u>			
	(N : 253)				(N : 53)			
	<u>Short</u>		<u>Long</u>		<u>Short</u>		<u>Long</u>	
	N	%	N	%	N	%	N	%
Type 1	75	(29.6)	82	(32.4)	20	(36.4)	30	(54.5)
Type 2	112	(44.3)	123	(48.6)	26	(47.2)	22	(40.0)
Type 3	66	(26.1)	48	(19.0)	9	(16.4)	3	(5.5)
	<u>253</u>		<u>253</u>		<u>55</u>		<u>55</u>	

Table (24)

Results

1 Contrast of Time Horizon within New Zealand Owned/Overseas Owned

- a) Little significant difference was found to exist in the distribution of (C.A.P.'s) for New Zealand owned companies over the Short-Long Term time horizons - the short term strategies tend to persist over time.

(C.A.P.)	<u>New Zealand</u>			
	<u>Short</u>		<u>Long</u>	
Type 1	(29.6	-	32.4)	(3.2)
Type 2	(44.3	-	48.6)	(4.3)
Type 3	(26.1	-	19.0)	(7.1)

- b) Significant differences were found to exist in the distribution of (C.A.P.'s) for Overseas owned companies over the Short-Long Term time horizon.

(C.A.P.)	<u>Overseas</u>		D
	Short	Long	
Type 1	(36.4	- 54.5)	(18.1)
Type 2	(47.2	- 40.0)	(7.2)
Type 3	(16.4	- 5.5)	(10.9)

2 Contrast of Time Horizon across New Zealand Owned Overseas Owned

- a) Little significant difference was found to exist in the proportionate distribution of competitive strategies for the short term time horizon across the country of ownership parameter.

(C.A.P.)	<u>Short Term</u>			d
	New Zealand		Overseas	
Type 1	(29.6	-	36.4)	(6.8)
Type 2	(44.3	-	47.2)	(2.9)
Type 3	(26.1	-	16.4)	(9.7)

- b) Significant differences were found to exist in the proportionate distribution of competitive strategies for the Long Term time horizon across the Country of Ownership parameter.

(C.A.P.)	<u>Long Term</u>			d
	New Zealand		Overseas	
Type 1	(32.4	-	54.5)	(22.1)
Type 2	(48.8	-	40.0)	(8.8)
Type 3	(18.8	-	5.5)	(13.3)

- i) As a long term strategy, 1 in 3 New Zealand owned companies and by contrast 1 in 2 Overseas owned companies espouse a Type One Policy.

- ii) In terms of contrasted extremes a Type 1 strategy is twice as likely to be represented as a type 3 strategy in a New Zealand owned company with a ratio of 10 to 1 for the same contrast for overseas owned companies.

Analysis:

Cultural difference effects are strong on the Country of Ownership dimension. New Zealand owned companies tend to keep to minimal levels any shift in their competitive postures over time. Such persistence may be seen as reflecting both conservatism in the New Zealand manager but additionally more stable and consistent futures in the New Zealand business environment; existing postures are established postures with permanent and durable value - a competitive hierarchy has been established and the proportional representation in each will remain at roughly equal levels over an extended time period.

In the case of overseas owned companies however Type One strategies are seen as the long term objective with a parallel falloff in both Type One and Two formats. The competitive challenge promotes strong shifts towards a highly competitive posture even for companies presently engaged in survival or holding operations (16.4% declining to 5.5%). Such anticipated competitive posture change over time would be consistent with non-indigenous new entrants to the New Zealand market seeking to establish, at more aggressively competitive levels, their own hierarchy of competitive postures.

When New Zealand and Overseas Executives are contrasted little difference emerges in their short run positions. The marginally more aggressive posture for the Overseas in the short term enlarges to a clearly expressed preference for dominance in the long term. 22.1% more of overseas than New Zealand born strive as an established policy for the number one position.

OWNERSHIP (CONTROL) EFFECTS ON COMPETITIVE POSTURE

An evaluation was made of the influence of controlling ownership by a company's executive on the choice of competitive strategy across the (Short-Long) Term time horizon. Table (25) analyses the overall ownership pattern:

<u>Chief Executive Company Ownership/Control</u>						
	Degree of Ownership			Degree of Control		
	N	%		N	%	
Sole	13	2.9	—	YES	75	16.9
Part	214	48.2		NO	152	34.2
None	217	48.9			217	48.9
	<u>444</u>	<u>100.0</u>			<u>444</u>	<u>100.0</u>

Table (25)

- i) 1 in 6 of the Chief Executives in the total sample own or partly own and control the company they manage.
- ii) 1 in 3 of Chief Executives who have a form of ownership (whole or part) control the company they manage.
- iii) 1 in 2 of Chief Executives have a share (whole or part) in the company they manage.

Table (26) further breaks down the gross figures for executive control by Competitive Postures.

C.A.P.	<u>Chief Executive</u>							
	<u>Control</u>				<u>Non-Control</u>			
	(N : 75)				(N : 369)			
	<u>Short Term</u>		<u>Long Term</u>		<u>Short Term</u>		<u>Long Term</u>	
	N	%	N	%	N	%	N	%
Type 1	17	22.7	19	25.3	126	34.1	151	40.9
Type 2	31	41.3	32	42.7	174	47.2	180	48.8
Type 3	27	36.0	24	32.0	69	18.7	38	10.3
	75	100.0	75	100.0	369	100.0	369	100.0

Table (26)

Results

- a) No significant differences were found within the two separate ownership categories (control/non-control) across the (Short-Long) Term time horizon.

	<u>Control</u>				<u>Non-Control</u>			
(C.A.P.)	Short	/	Long	d	Short	/	Long	d
Type 1	(22.7	-	25.3)	2.6	(34.1	-	40.9)	6.8
Type 2	(41.3	-	42.7)	1.4	(47.2	-	48.8)	1.6
Type 3	(36.0	-	32.0	4.0	(18.7	-	10.3)	8.4

- b) Significant differences were found to exist between the two ownership categories for both the Short and Long Term time horizons.

(C.A.P.)	<u>Short Term</u>		d	<u>Long Term</u>		d
	Control	/ Non-Control		Control	/ Non-Control	
Type 1	(22.7	- 34.1)	11.4	(25.3	- 40.9)	15.6
Type 2	(41.3	- 47.2)	5.9	(42.7	- 48.8)	6.1
Type 3	(36.0	- 18.7)	17.4	(32.0	- 10.3)	21.7

For both the Short and the Long Term the 'Number One Position' choice of competitive postures tends to be practised more frequently by companies not subject to the determining control function of their Chief Executives; this difference tends to increase over the long term (11.4% rising to 15.6%). Conversely it may be viewed from the alternative perspective: from this position companies whose Chief Executives have an effective company control that parallels their ownership tend to endorse as both a short and long term strategy the survival option - (type 3). This endorsement also increases over the long term (17.4% rising to 21.7%).

Analysis

Elsewhere in the research (*) relationships between property and conservatism suggest that higher level of conservatism seem to be identified with the acquisition and control over organisation property; additionally, the LOWc

* See page 100

executive shows a preference for Type 1 as contrasted with Type 3 postures - in contrast with the HIGHc executive.

The results on the Executive Control/Non-Control dimension above appear to enhance both these findings. As personal commitment and involvement increase beyond the level of the job/the task of executive leadership and especially where this is manifested in property ownership control terms the more reserved or cautious are the competitive strategies adopted. This discrimination holds over time and indicates that the value is established and persistent.

COMPANY TYPE

Variations in competitive posture were tested across the dimension of Public/Private ownership types. Table (27) below

Company Type Effects on Competitive Posture

(C.A.P.)	<u>Company Type</u>							
	Public				Private			
	(N : 233)				(N : 212)			
	Short Term		Long Term		Short Term		Long Term	
	N	%	N	%	N	%	N	%
Type 1	62	26.6	70	30.0	79	37.3	100	47.2
Type 2	102	43.8	109	46.8	103	48.6	102	48.1
Type 3	69	29.6	54	23.2	30	14.1	10	4.7
	233	100.0	233	100.0	212	100.0	212	100.0

Results

Table (27)

- a) No significant differences were found to exist within the two separate company type categories across the (Short-Long) Term time horizon.

(C.A.P.)	Public			Private		
	Short	Long	d	Short	Long	d
Type 1	(26.6	- 30.0)	3.4	(37.3	- 47.2)	9.9
Type 2	(43.8	- 46.8)	3.0	(48.6	- 48.1)	.5
Type 3	(29.6	- 23.2)	6.6	(14.1	- 4.7)	9.4

- b) Significant differences were found to exist between the two company type categories for both the Short and Long Term time horizons.

(C.A.P.)	Short Term			Long Term		
	Public	Private	d	Public	Private	d
Type 1	(26.6	- 37.3)	10.7	(30.0	- 47.2)	17.2
Type 2	(43.8	- 48.6)	4.8	(46.8	- 48.1)	1.3
Type 3	(29.6	- 14.1)	15.5	(23.2	- 4.7)	18.5

In the case of both time terms Privately as contrasted with Publically owned and controlled companies tend to favour the 'Number One Position' as a competitive strategy; 10.7% in the short term rising to 17.2% in the long. The employment of the Type 2 strategy is proportionately almost equal for both ownership types for both time horizons (a range of 43.8% to 48.6%).

Conversely the allocation of Public company preferences does not merely reflect the opposite situation from that of the Private; in this case the distribution of strategy choices between type 1 and type 3 competitive postures is more nearly in equal proportions. This contrasts with the behaviour of Private firms and is more clearly represented in ratio form.

<u>Ratios</u>		
Competitive Posture	Short Term	
	Public	Private
Type 1 : Type 3	.9:1	2.6:1
Type 1 : Type 3	Long Term	
	1.3:1	10.0:1

Analysis

This appears to represent a contradictory finding in the research; results elsewhere (*) indicate that Publically owned companies tend to be more pro-active and more innovatively inclined. It does seem however that the question of public accountability constrains the optimism in strategy selection and results in a wider range of judgement choices - private companies, perhaps because their spread of ownership is smaller or because they lack the oversight brought about by public exposure tend more towards optimism and so focus their options primarily on Type 1 and Type 2 possibilities.

(*) See page 81 Table (36)

COMPETITIVE PRESSURE

It was anticipated that the competitive attitudes employed by a company in its approach to a range of environmental competitive pressures would be reflected in the strategies chosen to cope with or exploit opportunities or barriers within this range. The range of competitive posture strategies was evaluated for differences between high and low competitive influences from the environment Table (28).

Competitive Pressure Effects on Competitive Postures

(C.A.P.)	<u>Competitive Pressure</u>							
	Low				High			
	(N : 52)				(N : 120)			
	Short Term		Long Term		Short Term		Long Term	
	N	%	N	%	N	%	N	%
Type 1	24	46.2	25	48.1	31	25.8	35	29.2
Type 2	13	25.0	16	30.8	61	50.8	71	59.2
Type 3	15	28.8	11	21.1	28	23.4	14	11.6
	52	100.0	52	100.0	120	100.0	120	100.0

Table (28)

Results

- a) No significant difference was found in the employment of competitive strategies across the (Short-Long) Term time horizon for either a low or a high pressure competitive environment. Strategies adapted to environmental pressure tend to be carried forward as permanent characteristics.

Competitive Pressure Effects:

Differences over Time within Pressure Group

(C.A.P.)	Low (Pressure)			High (Pressure)		
	Short	Long	d	Short	Long	d
Type 1	(46.2	- 48.1)	1.9	(25.8	- 29.2)	3.4
Type 2	(25.0	- 30.8)	5.8	(50.8	- 59.2)	8.4
Type 3	(28.8	- 21.1)	7.7	(23.4	- 11.6)	11.8

Table (29)

- b) Significant differences were found to exist in the proportionate distribution of competitive strategies for companies operating in Low as contrasted with High pressure competitive environments.

Competitive Pressure Effects:

Differences in Pressure within Time Groups

(C.A.P.)	Short Term			Long Term		
	Low	High	d	Low	High	d
Type 1	(46.2	- 25.8)	20.4	(48.1	- 29.2)	18.9
Type 2	(25.0	- 50.8)	25.8	(30.8	- 59.2)	28.4
Type 3	(28.8	- 23.4)	5.4	(21.1	- 11.6)	9.5

Table (30)

Analysis

Within the particular pressure environment in which firms are operating, companies are consistent in their choice ordering of competitive postures across time.

The Low to High competitive pressure differential has the result however of shifting companies out of highly competitive postures towards those of lesser strength.

Very different profiles are adopted across the difference of pressure dimension - companies faced by Low competitive pressure are encouraged to move to achieve dominance in the market either by design or default. It is possible that low competitive pressure results not only from a general lack of overall industry aggression but also from a straight absence of any such competitors. The adjustment in the relative distributions of strategies is important; as pressure increases in the Short Term Type 1 strategies decline and the major percentage of the shift is absorbed by the Type 2 option (25.8%), Type 3 strategy numbers change little (5.4%). In the long term this trend is even more exaggerated; here the tendency is to also optimize on Type 2 - 59.2% of all companies chose this as their long term high pressure option.

COMPANY SIZE

Company Size was evaluated for its effect on choice of competitive strategies; results outlined below.

Results

Company Size and Competitive Posture

Competitive Posture	Company Size (Employee Numbers)							
	0 - 100				1001 - 5000			
	Short		Long		Short		Long	
	N	%	N	%	N	%	N	%
First	34	32.6	39	37.5	16	46.3	20	58.5
Second	44	42.0	46	44.1	16	46.3	14	41.5
Third	26	25.4	19	18.4	2	7.4	-	-
	104	100.0	104	100.0	34	100.0	34	100.0

Table(31)

- a) Short and Long term postures vary little across the time dimension for both small and large sized companies. Such variance that does exist is greater for large as contrasted with small sized firms.

	100	1000
First	4.9	12.2
Second	2.1	4.8
Third	7.0	7.4

- b) Significant differences exist as between Small and Large sized firms in their choice of competitive posture for both the short and the long term.

	Short	Long
	100 - 1000	100-1000
	(d)	(d)
First	13.7	21.0
Second	4.3	2.6
Third	18.0	18.4

Analysis

Company size has a clear relationship with competitive strategies. Company size may be viewed as the result of deliberate growth related choices and the adoption of strategies designed to attain them. Companies that choose to grow and expand must select for those strategies that will facilitate such choices

and which best embody the guiding parameters of organisational motivation; the results of any such successful growth being reflected in part in increased employee numbers. The majority stress in such choice highlights the growth of Type 1 strategy choices and decline of Type 3. The Type 3 format is almost non-existent for large sized firms whereas for the smaller firm between one in four or five deploy it; Type 2 utilization remains in the 41 - 46% range across time and across company size. Type 1 strategies appear to be chosen by companies moving away from a maintenance or holding position and represent a drive for dominance and control in their prospective futures. Although it is impossible to determine from the present data it is probable that Type 3 siphons into Type 2 and Type 2 into Type 1.

Chapter Four

Hypothesis (2)

That no significant difference exists in the policies of companies grouped by the level of their Chief Executive conservatism (high, low) towards Innovation for both the Short and the Long Term.

Respondents were offered a choice between two polar positions that would define their overall company policy on innovation. Either as a point of management practice did their company -

- One 'Attempt to be the first to try to implement a promising but mainly unproven idea, technique or process'. Or did they,
- Two 'Prefer to wait and adopt proven and established ideas, techniques or processes'.

Responses were quantified on a frequency of practice scale from all through to no occasions. The 2 x 2 matrix table below specifies the four relation sets of interest within the data.

<u>Conservatism of Chief Executives</u>		
Management Practice	Level	
	Low	High
'First to do'	a	b
'Prefer to wait'	c	d

Testable Relationships

- {a/b} Contrasts the difference on the 'first to try' option in management practice between companies categorised by their Chief Executives conservatism.

- {c/d} Contrasts the difference on the 'prefer to wait' option in management practice between companies categorised by their Chief Executives conservatism.
- {a/c} Companies whose Chief Executives are LOWc are contrasted on their choice of 'first to do' and 'prefer to wait' options in management practise.
- {b/d} Companies whose Chief Executives are HIGHc are contrasted on their choice of 'first to do' and 'prefer to wait' options in management practice.

Results

Table (32) details the relative distributions of respondent choices.

Distribution of Choice on Management Practice

Management Practice	Degree of Conservatism	
	Low	High
	(N : 49) %	(N : 43) %
First to do	30.0	21.4
Prefer to wait	20.8	53.6
Mixed strategy	49.2	25.0
	<u>100.0</u>	<u>100.0</u>

{a/b}	{30.0 - 21.4}	d = 8.6
{c/d}	{20.8 - 53.6}	d = 32.8
{a/c}	{30.0 - 20.8}	d = 9.2
{b/d}	{21.4 - 53.6}	d = 32.2

Table (32)

Findings

The following significant differences were found to exist:

1 {c/d} Relationship

With respect to the 'prefer to wait' option in management innovation practice, companies whose Chief Executives are HIGHc favour such a policy on a proportionately more

frequent basis than those LOWc.

20.8% of LOWc Chief Executives favour a 'prefer to wait' practice.

53.8% of HIGHc Chief Executives favour a 'prefer to wait' practice.

(A difference of 32.8%)

2 {b/d} Relationship

Companies whose Chief Executives are HIGHc favour a 'prefer to wait' over a 'first to do' management practice on all or most occasions.

21.4% of HIGHc Chief Executives favour a 'first to do' practice.

53.6% of HIGHc Chief Executives favour a 'prefer to wait' practice.

(A difference of 32.2%)

Much smaller differences were found to exist between HIGHc and LOWc groupings for the 'first to do' practice and between the two forms of management practice for those Chief Executives LOWc.

3 {a/b} Relationship

30% of LOWc Chief Executives favour a 'first to do' practice.

21.4% of HIGHc Chief Executives favour a 'first to do' practice.

(A difference of 8.6%)

4 {a/c} Relationship

30.0% of LOWc Chief Executives favour a 'first to do' management practice.

20.8% of LOWc Chief Executives favour a 'prefer to wait' management practice.

(A difference of 9.2%)

Analysis

- a) HIGHc Executives discriminate more clearly between the two options in management than those LOWc. The small orders of difference in choice for LOWc Chief Executives as between the First to do and Prefer to wait options, (9.2% in favour of proactive philosophies), shift with increasing levels of conservatism into a status quo/reactive posture where Prefer to wait outweighs First to do as the most favoured position by 32.2%.
- b) The degree of discrimination in the choice of management practice is more diffused and less clearly expressed with LOWc Chief Executives than those that are HIGHc. A clear majority of 53.6% of HIGHc executives employ a 'Prefer to wait' practice whereas an almost majority of LOWc Chief Executives favour a mixed strategy (49.2%).

The findings would seem to confirm a higher status accorded by the LOWc Chief Executive to proactive exploratory behaviour; both as a singular technique (30.0%) and in alternating combination with the more conservative strategy (49.2%). A total of (79.2%) of all LOWc Chief Executives employ this dimension in their strategies as contrasted with (46.4%) of those HIGHc-a difference of (32.8%). The high percentage of mixed strategy points to a greater willingness on the part of LOWc Chief Executives to shift alternatives from one mode to another - an indication of a control over processes and techniques to serve innovator ends without allowing them to dominate and assume independent existence. Mode switching ability would also enhance a company's capacity to adjust to environmental pressure for change; this mixed-mode may well combine the best type of survival strategy of all by allowing an organisation to be both flexible and continuous in its organisational growth philosophies. Support also comes from these findings for the contention that a need exists for formality and definition

in the environment and the subsequent handling of derivative effects on the company, for executives possessed of HIGH orders of conservatism. Formality and the presence of an articulated policy indicates an accepted need to reduce uncertainty through the assignment of organisational energies to preparedness and protective investments and designs.

Other variable relationships were tested in order to determine significant contributions to the differential in innovation postures existing between HIGH and LOW conservatism levels.

CHIEF EXECUTIVE AGE

The positive correlation between increasing age and increasing conservatism tested out across the innovation strategy dimension. The two extremes of the age range were taken (31-40) and (61+) and correlated with innovative postures, Table (33).

Chief Executive Age Effects on Innovation Posture

Innovative Posture	(31 - 40) years		(61 +) years	
	N	%	N	%
First to do	22	26.8	6	18.8
Prefer to wait	24	29.3	19	59.3
Mixed	36	43.9	7	21.9
	82	100.0	32	100.0

Table(33)

Results

- 1 With increase in Chief Executive age there is significant increase in the use of the 'Prefer to wait' dimension of Management Strategy.

(29.3% increasing to a clear majority of 59.3% - a difference of 30%).

- 2 The use-distribution of the strategies is both more diffuse and evenly allocated in the 31-40 year olds than those who are 60 years and over. A greater polarisation is evident in the older group, with most of this focussing of choice derived from a reduction of the mixed strategy option by 22%, and a further 8% contributed from the decline in use of the 'first to do' option.

In summary, 2 in 3 of young Chief Executives prefer a straight or mixed proactive management strategy in contrast with 1 in 2 of those Chief Executives in the older age bracket.

Analysis

It is hard to escape the conclusion that a major contributory factor to the LOW/HIGH conservatism dichotomy over innovation practice derives from the accumulating influence of Chief Executive age on their levels of conservatism, and hence in turn to the type of strategy which best fits this changing make up.

A total of 70.7% of younger Chief Executives favour exploratory behaviour as either a permanent or occasional policy in contrast with 40.7% of the older executives - a drop over the age range of 30.0%. This compares with the 32.8% drop across the conservatism dimension itself.

	Low C	High C	d
First to do and Mixed	79.2%	46.4%	32.8%
	(31 - 40)yrs	(60 +)yrs	
First to do and Mixed	70.7%	40.7%	30.0%

CHIEF EXECUTIVE COUNTRY OF BIRTH

The cross cultural dimension was examined through a cross tabulation of the Chief Executives Country of Birth with innovation strategies. Table (34)

Chief Executive (Country of Birth)
Effect on Innovation Posture

Innovation Posture	Country of Chief Executive Birth			
	New Zealand		Other	
	N	%	N	%
First to do	99	30.9	20	25.6
Prefer to wait	130	40.7	35	44.8
Mixed	91	28.4	23	29.6
	320	100.0	78	100.0

Table (34)

Results

Similar, relatively-related, choice of strategy profiles were found to exist between the Chief Executive groups; one proportionate difference was identified in the actual weightings however, as between 'First to do' and 'Prefer to wait' for the two groups.

The gap between 'First to do' and 'Prefer to wait' is greater (at double the rate) for Other born than for New Zealand born.

New Zealand	(40.7 - 30.9 = 9.8%)
Other	(44.8 - 25.6 =19.2%)

Analysis

The proportionately higher degree of polarity between the two options for Other in contrast to the New Zealand born may originate in the nature of the companies they are charged to manage - Other born are better represented in Public companies which tend to spread their options more evenly for competitive purposes. The tendency towards an apparently more conservative stance may stem not only from conservatism in the respondent but from the structural characteristics of the companies they manage. In conjunction with this,differences arising within the Chief Executive cross-cultural dimension may contributarily modify the structural influence in its turn. The Other Born Chief

Executives as a group are better represented in the LOWc category in contrast to the New Zealand Born: (See table 9).

Whilst New Zealand born Chief Executives are balanced in their LOWc/HIGHc representation the LOWc representation of the Other Born outweighs the HIGHc by 4 : 1; the dominance of the Other Born sample by one conservatism grouping may exaggerate the gap between the two main choice postures. In this instance however, it could be expected that this would lead to excessive support for the 'First to do' option; the reverse is more the case. The allocation gap is wider (19.2%) but not in the expected direction; influence of the organisational/structural constraints could be the modifying agent.

COMPANY SIZE

To varied extents company size, measured by the number of employees, is an indication and reflection of human and other skill resource and capacities and the larger the organisation the larger these resources and the greater its autonomy in dealings with the environment. To measure this environmental independence Company size was correlated with innovation posture strategies Table (35).

Company Size Effects on Innovation Posture

Innovation Posture	Size of Company			
	Small		Large	
	(0 - 100)		(1001 +)	
	N	%	N	%
First to do	31	29.8	8	23.5
Prefer to wait	58	55.8	10	29.4
Mixed	15	14.4	16	47.1
	104	100.0	34	100.0

Table (35)

Results

- a) A greater discrimination exists for small as opposed to large companies in the adoption of a 'first to do'

as opposed to a 'prefer to wait' strategy.

Small (55.8 - 29.8 = 26.0%)

Large (29.4 - 23.5 = 5.9%)

- b) The clear majority of small companies favour a 'Prefer to wait' management strategy in contrast to large companies which express a preference for strategies of a mixed type, 55.8% contrasted with 29.4%.
- c) A total of 44.2% of small companies favour a 'first to do' as a permanent or occasional policy in contrast with 70.6% of large size companies - a difference of 26.4%.
- d) A greater preference exists in the larger companies for mixed strategies; 47.1% for large as compared with 14.4% for small. A difference of 32.7%.

Analysis

Size of companies is significantly related to the strategies employed on the proactive-reactive horizon of growth options. The larger the company the greater the facility that exists to both employ and deploy strategies that best suit a varying environment. Where resource depth may be shallow, and resource types are typically homogenous as in the case of small companies, the figures support the contention that preservation and protection would emerge as the dominant type of development strategy. At 29.8% and 23.5% both small and large companies are approximately equal in their use of the proactive 'first to do' dimension as a full time development option; increase in company size results not in simple increase in this option but rather an expansion of the best fit parameters which allows the luxury of choice unavailable to the smaller companies.

COMPANY TYPE

The decision to change a company's status from private to public is generally prefixed by the decision (single or joint) to seek growth and development funds unable to be generated solely from internal resources. Such a step opens up a company to the fluctuations of finance markets which conditions a minimum need to match the efforts of the principle competitor(s) for such resources and to appear as a desirable growth choice. The Public/Private dimension of organisational proprietorial type was evaluated for evidence of any effect this would have on innovation postures. Table (36).

Company Type Effects on Innovation Posture

Innovation Posture	Company Type			
	Public		Private	
	N	%	N	%
First to do	75	37.1	43	22.3
Prefer to wait	84	41.6	81	42.0
Mixed	43	21.3	69	35.7
	<u>202</u>	<u>100.0</u>	<u>193</u>	<u>100.0</u>

Table (36)

Results

Overall, public companies tend to employ the 'first to do' dimension of management innovation practice on a moderately more frequent basis than private company organisations (37.1% contrasted with 22.3%). Both assign effectively the same weight of choice to the 'prefer to wait' option (42%) but the allocation of the balance differs - the Public company places more stress on the pursuit of an established and continuous 'first to do' strategy whilst private organisations weigh more in favour of a mixed tactic.

Analysis

A motivation for enlarged growth opportunities carries an organisation forward into the public market place - the same motivation finds expression in the drive of the company to keep to and hold any enhanced options that it manages to come by. To generate and hold the initiative on such options would require a company to maintain a momentum and keep pace with the frontrunners in innovating change. Additionally, the larger the company the greater the chance that resources are being generated that are available for Research and Development budgets. Since Public companies tend to fall within the large company category it may be that part of their 'First to Do' momentum stems from the availability of just such funds.

COUNTRY OF OWNERSHIP

A dimension of cross-cultural effects, outside that of the executives own demography, lies in the policy shaping influence of proprietorship determined by its principle country of origin. The sample of firms whose ownership lay wholly in either New Zealand or outside New Zealand were taken and contrasted for any influence such a dichotomy could possibly possess. Firms with mixed ownership patterns were excluded; it was felt that any cultural distinctions would be subject to accommodation and adjustment with any original cultural significance becoming blurred and ambiguous.

Country of Company Ownership Effects on Innovation

Innovation Posture	<u>Posture</u>			
	Country of Ownership			
	Wholly New Zealand		Wholly Overseas	
	N	%	N	%
First to do	73	32.7	8	16.3
Prefer to wait	92	41.3	21	42.9
Mixed	58	26.0	20	40.8
	<u>223</u>	<u>100.0</u>	<u>49</u>	<u>100.0</u>

Table (37)

Results

Again, as above for the variable Company Types, the 'prefer to wait' management option is equally subscribed to by both ownership cultures. It was found however that approximately double the percentage of New Zealand companies support a 'first to do' policy in contrast with the wholly overseas owned; 32.7% contrasted with 16.3%. Alternatively, this distinction may be viewed as an increased emphasis placed by overseas owned companies on the deployment of mixed options.

Analysis

A suggested reason for such a discrepancy may lie in the organisational cohesion and security of a fully localised ownership and hence tighter and more immediate influence over environmental change events; that the closer company control is located to organisational activity the greater the potential that exists for innovative and exploratory behaviour.

Alternatively, the development and on-going preference for a mixed-strategy option could reflect a level of organisational sophistication that is expressed in a high value being assigned to flexibility as a company survival characteristic; such a policy being based on experience derived from a wider spectrum of activity experience overseas.

It is also to be expected that the foreign owned operator would be less inclined to invest in growth that required pioneering effort and which demanded the maintenance of such a drive as the permanent growth strategy. Much of the 'first to do' role may have been already carried out by a home office or other branch effort overseas and execution in New Zealand represents the administration of prior experience and learning gained elsewhere other than New Zealand.

COMPETITIVE PRESSURE AND POSTURE

Two aspects of competition in the surrounding environment were considered in their relationship to innovation strategies:

- i) The effects of varying levels of competitive pressure on the growth paths of a company. Table (38).
- ii) The correlative relationships between competitive postures of companies on the one hand and their postures with regard to innovation on the other. Table (39).

Competitive Pressure Effects on Innovation Posture

Innovation Posture	Pressure			
	Low		High	
	N	%	N	%
First to do	19	40.4	29	28.4
Prefer to wait	21	44.7	48	47.1
Mixed	7	14.9	25	24.5
	47	100.0	102	100.0

Table (38)

Competitive Posture Effects on Innovation Posture

Competitive Posture Type (Short (S) and Long (L) Term)													
Innovation Posture	First					Second				Third			
	S		L			S		L		S		L	
	N	%	N	%		N	%	N	%	N	%	N	%
First to do	(119)	39	31.0	46	29.7	69	37.1	64	34.2	11	12.6	9	15.8
Prefer to wait	(165)	47	37.3	59	38.1	71	38.2	76	40.7	47	54.0	30	52.6
Mixed	(115)	40	31.7	50	32.2	46	24.7	47	25.1	29	33.4	18	31.6
		126	100.0	155	100.0	186	100.0	187	100.0	87	100.0	57	100.0

Table (39)

Results {Competitive Pressure Effects}

- a) A small but significant percentage difference was found to exist in the use of the 'first to do'

management strategy on innovation - 40.4% of companies operating in LOW pressure competitive environments employed this option as contrasted with 28.4% of companies operating in HIGH pressure circumstance. Alternatively it may be viewed as an increase in the use of mixed strategies as we move from companies that operate in LOW pressure as compared with HIGH pressure environments. The Ratio of use of 'First to do' to 'Mixed strategy is (2.7 : 1) for companies operating in LOW pressure environments compared with (1.2 : 1) for HIGH pressure situations.

- b) Companies operating in LOW competitive pressure environments are distributed almost equally in their use of the two strategies; as pressures in the competitive environment increase this allocation of strategies shifts significantly.

	LOW	HIGH
First to do	40.4	28.4
Prefer to wait	44.7	47.1
	<u>d = 4.3%</u>	<u>d = 18.7%</u>
Ratio	(1 : 1)	(1 : 1.7)

Companies operating in environments of HIGH competitive pressure are likely to employ the 'prefer to wait' dimension of strategic choice a one-half to two-thirds more frequently than companies operating in LOW competitive environments.

Analysis

The simplest explanation for the results above could lie in the fact that in a quantitative sense as competitive pressure declines so do the actual numbers of competitors and so the chances that you are, automatically and inevitable (at zero competitor levels), the 'first to do' increases. Such an analysis could be extended to include the proposition that at the start or 'first to do' stage of any growth change

competitive pressure for that innovation may be low but that through competitive imitation pressures rise over time for that particular product/technology change. As this happens the thrust for a mixed strategy arises to deal with the complexities and high risk decision making at these greater levels of competitiveness.

While statistical probability may contribute an element to the explanation the fact that a decline in use of the 'first to do' is not matched by an equal increase in the direct alternative 'prefer to wait' option seems to point strongly to a qualitative influence at work; such an influence appears to select for strategies able to cope with the high level of change event turnovers and the increase in individual uniqueness of such events at high competitive pressure levels - a further corroboration of a search for a 'best fit' solution among those companies which have a tendency towards innovation and modify such tendency in response to environmental change. In this sense the fact that the 'prefer to wait' allocation remains nearly constant (an increase of only 3.4% from LOW to HIGH environment types) indicates that adaptation may be closely integrated with innovation; the greater the habitual use of highly innovative postures the greater is the companies proclivity for adaptation and perhaps survival.

Results {Competitive Posture Effects}

- a) For firms selecting any of the three Competitive attitude posture categories the First (Number One Position) the Second (A Major Share) and the Third (a Sufficient Share-survival only) no significant differences were found to exist in their deployment of their Innovation Posture strategies as between the short and long terms. For all three levels of competitive attitude companies tended to implement their chosen innovation strategy in both the short and long term.

(Since the respondents were asked to make their assessments over all or most occasion basis this is hardly surprising ... it does provide corroboration for the integrity of the data etc.).

- b) Significant differences were found to exist in the deployment of their management innovation practice across two of the three levels of competitive attitude; this occurred when moving from companies who were striving to gain or maintain a sufficient share of the available markets that would satisfy their need to survive (the Third level) to a situation where companies were seeking to gain a Major or Clear Majority share of available markets (First and Second levels Table (40)). The differences (d) are expressed in the form of a range for each level as explained below the table.

Short Term Competitive Posture

First (1)	Second (2)	Third (3)	d % Range	
			(1-3)	(2-3)
31.0	37.1	12.6	(18.4 → 24.5)	
37.3	38.2	54.0	(16.7 → 15.8)	
31.7	24.7	33.4	(1.7 → 8.7)	
<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>		

Long Term Competitive Posture

First (1)	Second (2)	Third (3)	(1-3)	(2-3)
29.7	34.2	15.8	(13.9 → 18.4)	
38.1	40.7	52.6	(14.5 → 11.9)	
32.2	25.1	31.6	(0.6 → 6.5)	
100.0%	100.0%	100.0%		

Table (40)

{31.0 - 12.6 = 18.4%; 37.1 - 12.6 = 24.5%: the range of difference in the allocation of innovation posture types as between the First and Third levels of Competitive

Posture and the Second and Third levels of Competitive Posture is (18.4 → 24.5)}.

- i) As companies competitive attitude postures shift from the more strongly competitive to the less strongly competitive there is a corresponding shift from high to low in innovation growth strategies.
- ii) The major proportion of this shift in (i) above is from the 'first to do' to the 'prefer to wait' dimension of management practice. Any increase in the employment of mixed strategies is minimal and insignificant.
- iii) The range of differences are marginally greater for the Short as contrasted with the Long Term for each of the three innovation posture levels.

Analysis

The accuracy of the time measure implicit in the measurement of innovation posture (on all or most occasions contains both the Short and Long Term time elements) is corroborated by the failure of the cross tabulation of this research variable with competitive postures (explicitly referenced by time) to generate any significant differences in this dimension. The correlation tends to confirm that time judgements (one implicit and the other explicit) have been made from a base constant to the research.

For example, had a respondent indicated that it was his company's policy to adopt a 'first to do' management strategy on (all + most) occasions then it could be expected that such a response indicates a permanent value of the organisation held over time; that this is in fact the case (at least within the boundaries of the research) tends to be confirmed by the failure of any significant differences to appear in the time explicit judgement over competitive attitudes.

<u>First</u>			<u>Second</u>			<u>Third</u>		
S	L	d	S	L	d	S	L	d
(31.0 - 29.7 = .3%)			(37.1 - 34.2 = 2.9%)			(12.6 - 15.8 = 3.2%)		

INNOVATION AND CHANGE POLICIES

An assessment was made of the presence or absence of company policies, written or implied, which would guide its responses to the innovations and changes introduced by its competitors. Conservatives' attitudes are held to be associated with both a need to regularise and formalise the impacting environment as well as the establishment of such attempts at regularization and order keeping in a documented, formulated process or system (1). The research extended to a measure of this dimension.

Overall the gross response fell as follows:
Table (41) analyses the spread of formality of the YES response as a % of the total number of respondents.
Table (42) considers the % spread of formality within the YES response itself.

{I. and C. Policy} Breakdown {Total Survey Sample}

		<u>Written</u>		<u>Implied</u>	<u>Mixed (W&I)</u>
		Fully	4.9	16.5	3.6
		Partly	6.0	25.2	
Yes	= 56.2 =		10.9%	41.7%	3.6%
No	= 43.8				
Total	100.0%				

Table (41) ↑
Table (42) ↓

{I. and C. Policy} Breakdown {YES Response Only}

	<u>Written</u>		<u>Implied</u>		<u>Mixed</u>		<u>Totals</u>
	N	%	N	%	N	%	
Fully	22	(44.9)	74	(39.6)	16	(5.4)	
Partly	27	(55.1)	113	(60.4)			
		100.0		100.0			
	49 - (19.4%)		187 - (74.2%)		16 - (5.4)		252 - (100.0)%

(1) Rokeach, M. The Open and Closed Mind, Basic Books, Inc., N.Y. 1960.

Results Summarised

When Table (41) is expressed as ratios of the total sample the following proportionate relationships emerge.

Approx. 1 in 20 of sampled companies possess <u>a fully written policy</u>					
"	1 in 17	"	"	"	<u>a partly written policy</u>
"	1 in 6	"	"	"	<u>a fully implied policy</u>
"	1 in 4	"	"	"	<u>a partly implied policy</u>
"	1 in 2	"	"	"	<u>a form of policy</u>

Table (43)

Companies whose Chief Executives were HIGHc would be expected to have prescribed company policies which would reflect such conservatism, in form and tactic, adapted towards environmental change - in this case change in the area of product type or competitive strategies. Conservatives would be expected to seek a strategy that would allow them to impose a form of order-on-change by developing preparedness definitions to cope with such events.

Tables (41, 42) highlight a difference found to exist between companies when ordered on their Chief Executives conservatism level.

Overall, 56.2% of Chief Executives indicated that their company possessed a policy on competitor innovation - 10.9% Written, 41.7% Implied and 3.6% A Mixture of both. A breakdown of this response by HIGH/LOW chief executive conservatism levels showed that 43.0% of those LOWc contrasted with 63.0% of those on the HIGHc end of the scale in possessing a formalised and agreed company strategy towards competitor introduced change: a difference of 20%. Table (44).

Influence of Executive Conservatism on (I.& C.) Policy

			<u>Level of Chief Executives Conservatism</u>			
a)	YES		Low		High	
(I.& C.) Policy						
	Format	Fully	3		3	
i)	Written	Partly	1		4	
			—		—	
			4 (19.0)		7 (26.0)	
			—		—	
		Fully	8		9	
ii)	Implied	Partly	8		8	
			—		—	
			16 (76.0)		17 (63.0)	
			—		—	
Partly (i) and (ii)			1 (5.0)		3 (11.0)	
			—		—	
Total	YES		21 (100.0)	(43.0)	27 (100.0)	(63.0)
Total	NO		28	57.0	16	37.0
			—	—	—	—
			49	100.0	43	100.0

Table (44)

Analysis

The supposition that the existence of formal definitions of organisation behaviour options is related in some measure to the level of conservatism of its chief executives tends to be supported by the results.

In addition to the overall difference of 20% outlined above in policy adoption behaviour between HIGH and LOW executive conservatism levels there is a spread in the Range of Formality within each group that lends further support to the gross measures finding. The HIGHc executives tend to favour higher levels of formality in the distribution of the spread in which the activity definition is adopted and implemented than do the LOWc executives - 24.0% (19.0+5.0) of LOWc executives favour a Fully or Partly Written policy strategy on a single or mixed (with a degree of implied behaviour) use application basis in contrast with 37.0% (26.0+11.0) of HIGHc executives; a difference of 13%.

OTHER VARIABLES

The following variables were tested to establish the presence or otherwise of significance relationships holding between the dimension of (I.and C.) policy adoption and other organisational characteristics or procedure patterns:

Company ownership (Country of)	(Table 45)
Company type	(Table 47)

COMPANY OWNERSHIP

<u>Company Ownership Effect on {I.& C.} Policy</u>				
Country of Ownership	Degree of Ownership	N	%	Total N
New Zealand	Wholly	(139)	58.9	(236)
	Major	(62)	66.7	(93)
Overseas	Wholly	(32)	60.4	(53)
	Major	(15)	60.0	(25)
				407

Table (45)

Neither the country of company ownership nor the strength of proprietorship in the direction of such ownership appears to influence the degree to which an (I.& C.) policy is maintained. However when cross-tabulated with the form in which such policy is maintained significant differences appeared.

<u>Country of Ownership</u>			
(Wholly owned only)			
{I. & P.}Policy Format	New Zealand		Overseas
Written Fully	5	(35.7)(3.6)	17 (68.0)(53.1)
Partly	9	(64.3)(6.5)	8 (32.0)(25.0)
		<u>(100.0)</u>	<u>(100.0)</u>
	14	10.1%	25 78.1%
Implied Fully	78	(70.9)(56.1)	4 (66.7)(12.5)
Partly	32	(29.1)(23.0)	2 (33.3)(6.3)
		<u>(100.0)</u>	<u>(100.0)</u>
	110	79.1%	6 18.8%
Mixed	15	(10.8)	1 (3.1)
	139	(100.0%	32 (100.0%

Table (46)

Results

Wholly overseas owned companies are approximately eight times more likely than the wholly New Zealand owned to express a (I. & P.) Policy in a format which is HIGH in formal content and which is available for use in a fully or partly written form:

78.1% of overseas companies compared with 10.1% of New Zealand companies - a difference of 68.0%

Analysis

As with Country of Company ownership effects on Innovation Postures a similar explanation of underlying causes may hold. With distance from proprietorial point of origin the need for formal rules and regulations increases - an increase in 'set-piece' direction from a centralised bureaucracy combined with extra-territorial experience of growth pattern and

option complexity outside of New Zealand range and experience. The very generation of such a document conjures up the lessons of past needs - the precipitating effects of past experiences. In such a model the New Zealand company occupies the other end of the dimension where informality (and hence flexibility) is the key to innovation response strategies; the narrow organisational distance between the executive and administrative functions could tend to encourage companies in such procedural and operational behaviour.

Historical acquaintance with only low or mildly influential competitive experience in the case of New Zealand could result in a minimal conditioning towards formality - such an interpretation however fails to fully account for the fact that, in sum, almost equal proportions of New Zealand and overseas companies possess an (I.& P.) policy of some kind - 58.9% of New Zealand contrasted with 60.4% of overseas. However, repeated experiences in organisational activity tends to beg codification to serve growth and maturation goals and ensure organisational behaviour smoothing and cohesion - both highly esteemed bureaucratic values.

COMPANY TYPE

Company Type Effects on {I.& C.} Policy

Type	Overall		Total N
	N	%	
Public	(144)	66.4	(217)
Private	(110)	54.6	(202)
	d =	<u>11.8</u>	

Table (47)

Analysis of {I.& P.} Policies by Company Type

{I.& P.} Policy Format		Company Type						d
		Public			Private			
		N	%	%	N	%	%	
Written	Fully	10	(31.25)		12	(70.6)		
	Partly	27	(68.75)		4	(29.4)		
			<u>100.0</u>			<u>100.0</u>		
		37		26.0	16		14.5	(11.5%)
Implied	Fully	33	(33.7)		41	(47.1)		
	Written	65	(66.3)		46	(52.9)		
			<u>100.0</u>			<u>100.0</u>		
		98		68.0	87		79.0	
Mixed		9		6.0	7		6.5	
		<u>144</u>		<u>100.0</u>	<u>110</u>		<u>100.0</u>	

Table (48)

Results

Public companies differed to a small but significant extent in their possession of an (I.& P.) policy; 66.4% - 54.6% to give a difference of 11.8%. (Table 43)

A breakdown of each company grouping reveals a further marginal tendency for Public companies to favour a more formal type of format; 26.0% - 14.5% to give a difference of 11.5%. (Table 44)

Analysis

The public as contrasted with the private domain demands higher levels and different forms of accountability both legal and administrative; more areas of company operations are subject to scrutiny and comment and this requires recording and documentation. These demands encourage or coerce public companies to develop more formal definitions

of their objectives and policies including and most especially those connected with the more fundamental aspects of company growth.

Chapter Five

Hypothesis 3

That no significant difference exists in the Supervisory values of Chief Executives as between those Chief Executives who are high or low in conservatism.

Chief Executive respondents were asked to indicate the extent of agreement with a series of supervisory dimensions which they felt was held by those executives and managers who were most like themselves in their personal goals, beliefs, activities, social standing etc. - the executive or management 'philosophy' to which they belonged.

In all eight supervisory dimensions were employed and are adapted from the work of Peterson (1) who utilized them to assess variations in managerial attitudes related to changes originating from varying cultural environments.

Supervisory Dimension One

{Executives who are owners are more interested in the well-being of employees than are hired managers}

This explores the consequences of ownership and proprietorial control on supervision; it seeks to establish an identification within the managerial role that property ownership and possession does have a qualitative and exaggerating effect on the custodial and caring characteristics of leadership.

Supervisory Dimension Two

{Successful leaders must be exceptionally self-confident}

This dimension attempts to identify the extent to which success in leadership is regarded as derivative from the

(1) Peterson, Richard B. A Cross-cultural Perspective of Supervisory values Academy of Management Journal, March, 1972, pp105 - 117.

nature of the leaders self-sufficiency and self-regard. The qualitative definitions that an executive carries forward of his self are explored for the influence this could be seen to have on the human resource use dynamic of their organisation.

Supervisory Dimension Three

{Successful leaders are interested in the ideas of their subordinates}

This explores change and innovation source recognition within the boundaries of an employing organisation. Success is held to be equated with the capacities of its leadership to link with and exploit the sub-managerial contributions to organisational growth.

Supervisory Dimension Four

{Successful leaders direct subordinates in exactly what they should do and how to do it}

This supervisory proposition invites respondents to order their position on a form of Democratic - Authoritarian scale. Managerial success is identified with the determination and containment of sub-managerial personnel levels and the subservience of such human resource ingredients to the centralisation of decision making control.

Supervisory Dimension Five

{Successful leaders involve as many people as possible in the making of important decisions}

Leadership is considered from the position that success in this role equates with the development of contributory commitments and identifications by an expanded employee group to the organisation growth and development; decisions taken by such a group should have status and rank and carry sufficient weight in the overall sense to give meaning to such contributions.

The proposition contains both the elements of involvement and substance to such involvement by organisation members.

Supervisory Dimension Six

{Major policy decisions made by Committees are superior to those made by the Chief Executive alone}

How much of organisation survival and growth in the strategic sense is identifiable with the consensus or collective decision making process and how much with decision making as a sole person event? This dimension polarises the two basic options - the maximization of the chance of winning in a strategic plan pay off by synthesizing a range of choice behaviour across a range of individual contributors, or alternatively focussing on the decision maker who occupies the overview stance - the chief executive. Group processes may enhance a poor decision by the executive but may equally downgrade and dilute quality judgements.

Supervisory Dimension Seven

{Subordinates usually want to take on more responsibility than they are able to handle}

This dimension attempts a measure of managements view of the work ethic for the culture in which the company is located. The responsibility level to which an organisational member is prepared to strive and the total sum of such strivings represents the level of constraint that qualifies an organisations capacity to delegate and distribute authority and accountability.

Supervisory Dimension Eight

{If a subordinate see the likelihood of promotional opportunities he will work harder and more efficiently}

Promotion generally contains both financial and status rewards and that as an incentive it will upgrade both volume and quality of employee output. The dimension questions rewards and their shape and place in organisational and employee enhancement.

Findings

Supervisory Dimension on which significant differences occurred as between those Chief Executives who are LOWc as contrasted with those who are HIGHc. (Table (48) below).

		<u>High Degree of Agreement</u>		
Supervisory Dimension		Executives		
		LOWc	HIGHc	d
		%	%	%
One	{Executives who are owners are more interested in the well-being of employees than are hired managers}	26.5	46.4	(19.9)
Four	{Successful leaders direct subordinates in exactly what they should do and how to do it}	8.1	30.3	(22.2)
Five	{Successful leaders involve as many people as possible in the making of important decisions}	44.9	60.4	(15.5)

Table (48)

Analysis

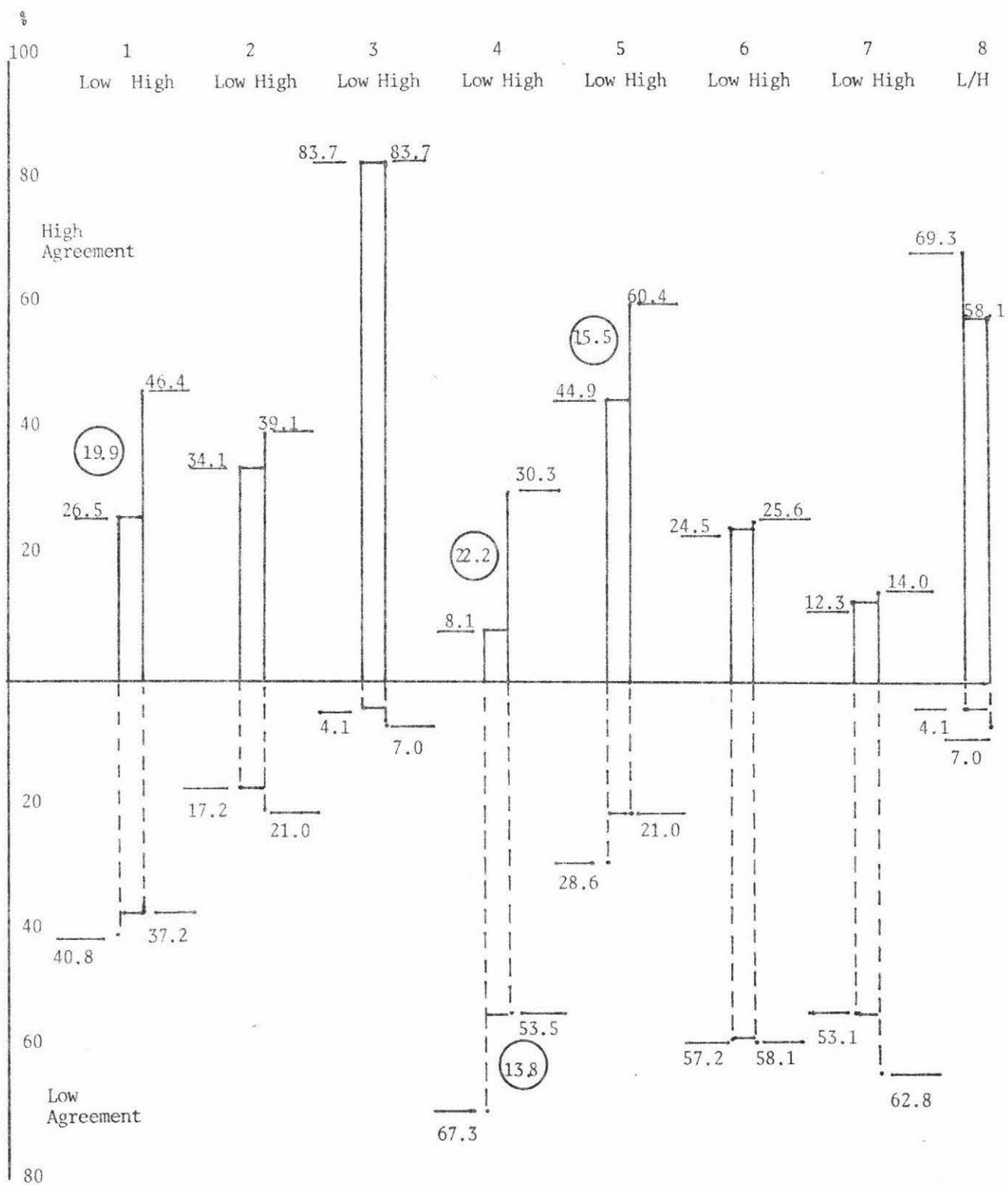
A relationship between property ownership (object possession) and conservatism has been suggested elsewhere in the research (*). The response to this dimension appears to support the contention that with the acquisition of organisational property, (increase in proprietorial investment), there is a matched rise in executive conservatism.

The New Zealand business milieu sees employee interest, concern and welfare being better guaranteed within a curious mixed structure of egalitarian interaction between superior and subordinate on the one hand, coupled with paternalistic protection, support and direction on the other. The supervisory dimension (Number Four) that reacted most strongly to differential levels of conservatism contains within it authoritarian type word and idea structures:-

(*) See page 67.

- direction of subordinates;
- exactness in that direction;
- both direction and exactness in the establishment of their work goals and the ways and means to achieve such goals.

It delineates clear superior - subordinate roles. Fig (6) adjacent page (101) highlights the close relationships of the response on this dimension to executive age. Increases in respondent age have been shown to be matched by increases in conservatism and it is therefore hardly surprising that since the older executive group supports the contention then the higher in conservatism group (containing a higher proportional representation of the older chief executives) will do likewise.



Fig(6)

Other Variable Relationships

Each of the eight variables in the supervisory attitude cluster was tested against the following eleven contrast variables:-

Contrast Variables

Chief Executive Characteristics

- 1 Age
- 2 Country of Birth

Company Characteristics

- 3 Nature of Company (Public/Private)
- 4 Country of ownership (New Zealand/Other)
- 5 Chief Executive Ownership (Some/None)
- 6 Chief Executive Control (Yes/No)
- 7 Size (Small (<100)/large (>1000)
- 8 New Zealand location (North Island/South Island)

Environment Characteristics

- 9 Competitive Pressure (Low/High)
- 10 Competitive Posture: Short Term (Type 1/Type 3)
- 11 Competitive Posture: Long Term (Type 1/Type 3)

{The order of the variables 1 to 11 above corresponds to the same order left to right across the following figures}

Statement of Supervisory Attitude

{Executives who are owners are more interested in the well-being of employees than are hired managers}

Fig (7)

Results

Overall a minority 32.1% of the total sample strongly agree with the statement. The principal support for this dimension comes from the older executive age group and companies that are public in nature both New Zealand and Chief Executive owned and executive controlled, small in size and operating under low competitive pressure conditions and whose strategic company posture is of the Type 3 form.

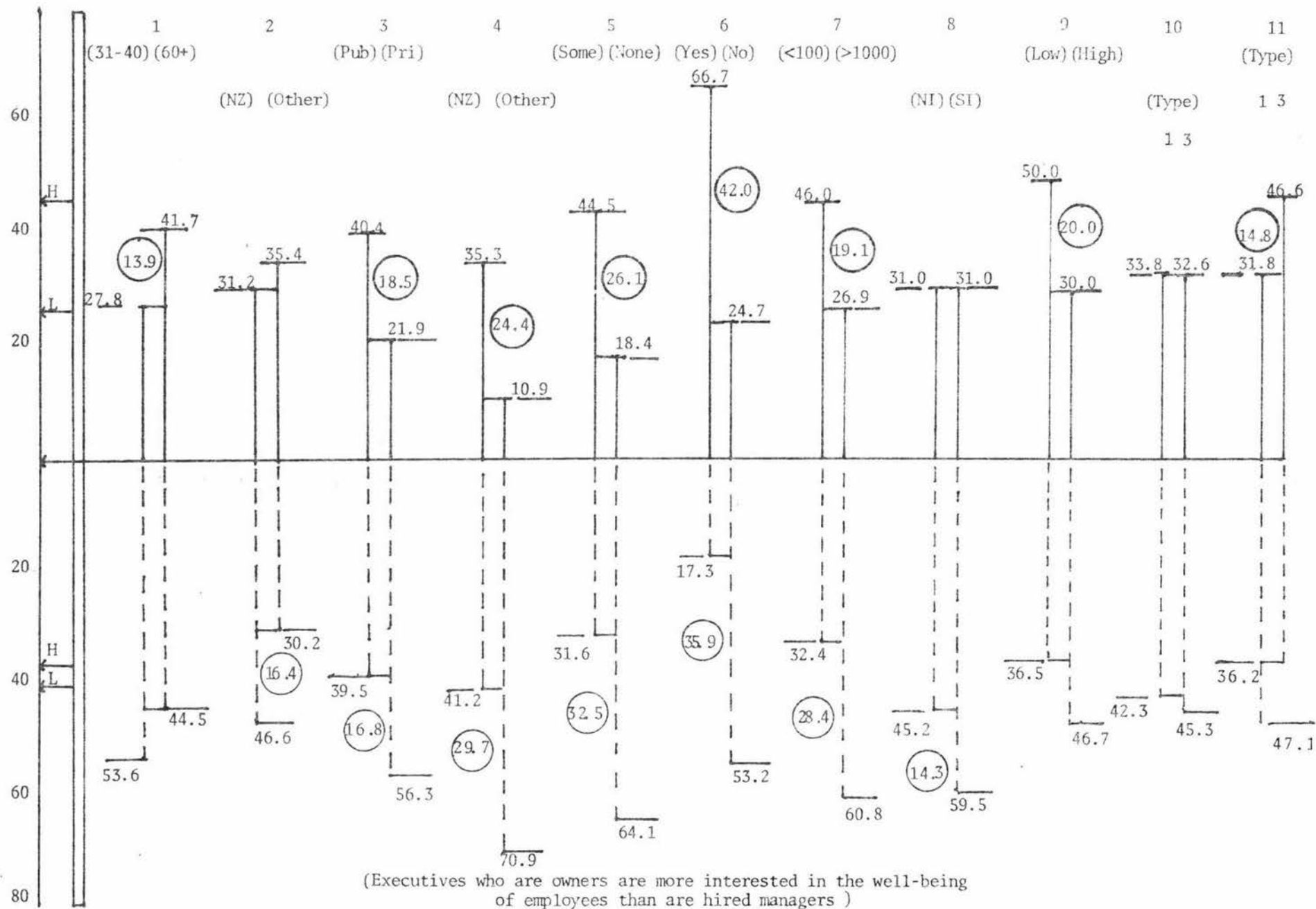
The principal disagreement with this statement, 45.1% overall, comes from New Zealand born executives and companies that are overseas owned, possess no executive ownership or control and are large in size; some additional strength for this attitude direction is lent by South Island as opposed to North Island based companies.

Analysis

Out of the other eight supervisory dimensions considered this proved the strongest in ordering the sample for the eleven contrast variables chosen. The dimension itself is concerned with structural properties of the organisation as they relate to behaviour value systems - the profile that emerges indicates a sample ordering on both counts.

Naturally and logically the variables concerned with ownership and more particularly control reflect the expressed self interest of proprietorship - 66.7% of companies that are executive controlled in contrast with 24.7% of companies that are not so controlled support the contention. A difference of 40%.

The cross-cultural comparison operates for both the executive country of birth and country of company ownership. Although both New Zealand and Other born managers are in approximately, the same levels of agreement the New Zealanders exceed other born by 16.4% in their rejection of the proposition - an indication that managerial responsibility for human resource welfare is held by the New Zealander to be linked more closely to the leadership ingredient in leadership - ownership pairing; that social obligation in itself weighs more heavily than property related social care and protection. In the other cross-cultural dimension however New Zealand owned companies very clearly exceed other owned in their level of support of the proposition (24.4%) and even more definitely Overseas owned exceed New Zealand owned in their level of rejection (29.7%); this stems in large part from sample distribution characteristics which sets the level of company owning executives in the Overseas born group at a very much lower level than for the New Zealand born group. Additionally however whilst the spread of agreement / disagreement is more normal for the New Zealand born than the Overseas born both minimally accepts (10.9%) and positively rejects (70.9%) the proposition - pointing to a more strongly held executive value in this regard.



Statement of Supervisory Attitude

{Successful leaders must be exceptionally self-confident}

Fig (8)

Results

Overall a minority of 43.7% strongly support and a smaller minority of 19.0% strongly disagree with the supervisory statement. The principle support emphasis for this dimension of supervisory activity appears to come from companies in which the executives possess a degree of control, that are located in the North Island and which operate in high competitive pressure environments.

Marginal influences arise in the Executive Age dimension where the older group tend to polarise and adopt more extreme positions at each end of the measurement scale than do the younger age group.

Little differentiation occurs in the sample across the variables for the area of disagreement - 19.0% for the sample overall. Although variations in disagreement do occur they are marginal:(e.g: Executives who are in the older age group have no company ownership or control and come from the South Island and who operate in low competitive pressure areas); or they point to polarizing effects in the sample itself.

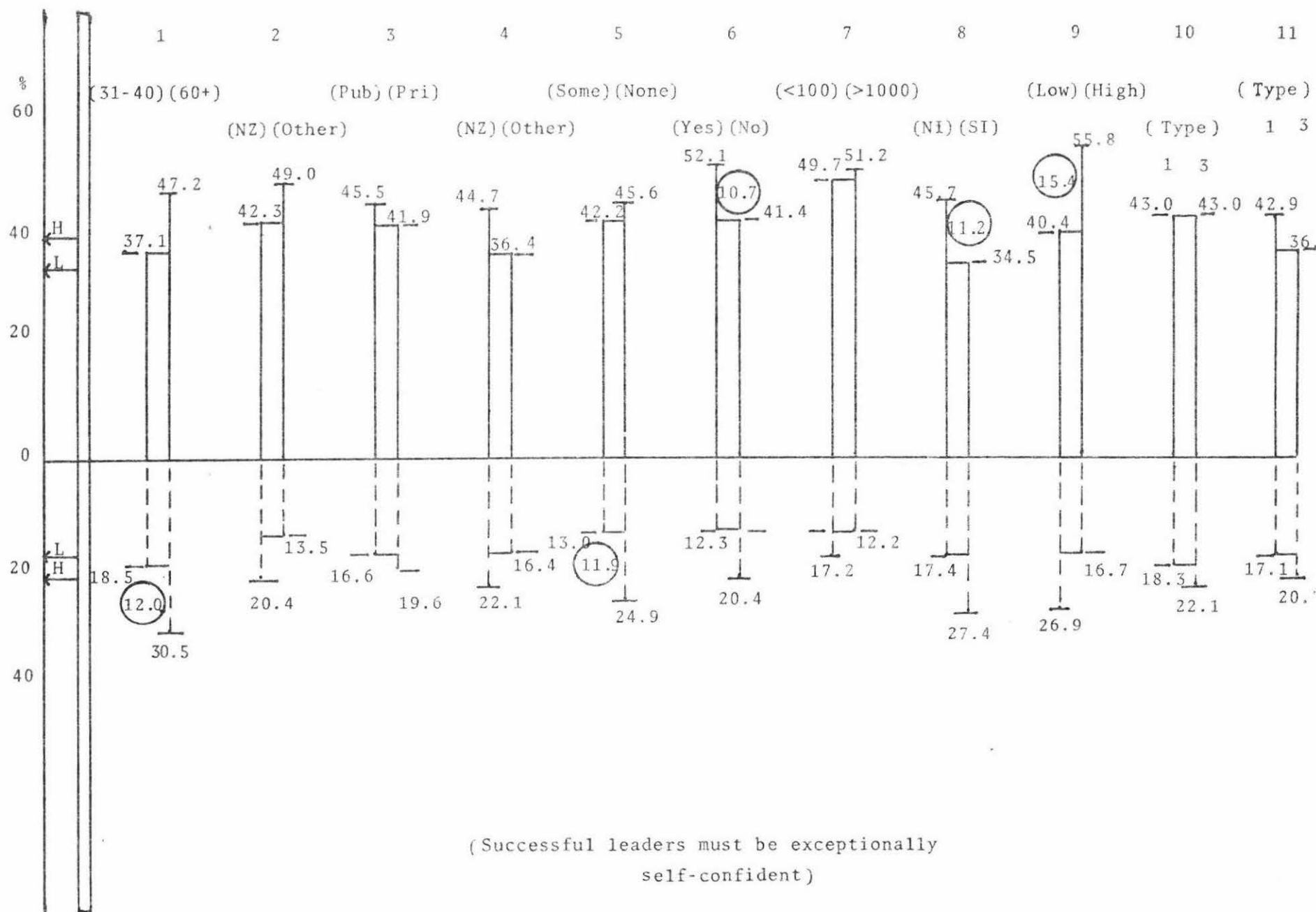
Analysis

The variable most closely linked to the positive affirmation of this supervisory dimension is that which would place the respondent in a testing and evaluating situation - the competitive pressure of the surrounding environment.

Successful leadership in this case is linked to leadership that is able to cope and survive and which requires a high order of competence and self-sufficiency. Survival in a high pressure competitive environment would encourage such

a self-concept formation.

Ultimate responsibility and accountability for the organisations survival would be a spur to such a development and particularly where control equates with ownership and hence executive survival equates with organisation survival.



(Fig 8)

Statement of Supervisory Attitude

{Successful leaders are interested in the ideas of their subordinates}

Fig (9)

Results

Little or only marginal variation occurs across the eleven variables tested; a slight trend may be discerned where the supervisory dimension gains a marginally more enthusiastic support from public, overseas owned companies, larger in size, located in the North Island, operating in high pressure competitive environments and which support a type 1 competitive posture in the short term.

Analysis

It would be more correct to identify this supervisory dimension as being one for which there is an overall high degree of strong agreement (83.7%) and in which the patterning of such agreement is very close to uniform for all variables tested. No significant disagreement exists for any of the variable horizons and any variations exist for the affirmative and hinge on marginal emphases. It could be considered as a fundamental and basic attitude of the New Zealand business culture little subject to modification across cross-cultural, structural or relational alternatives in the current measurement.

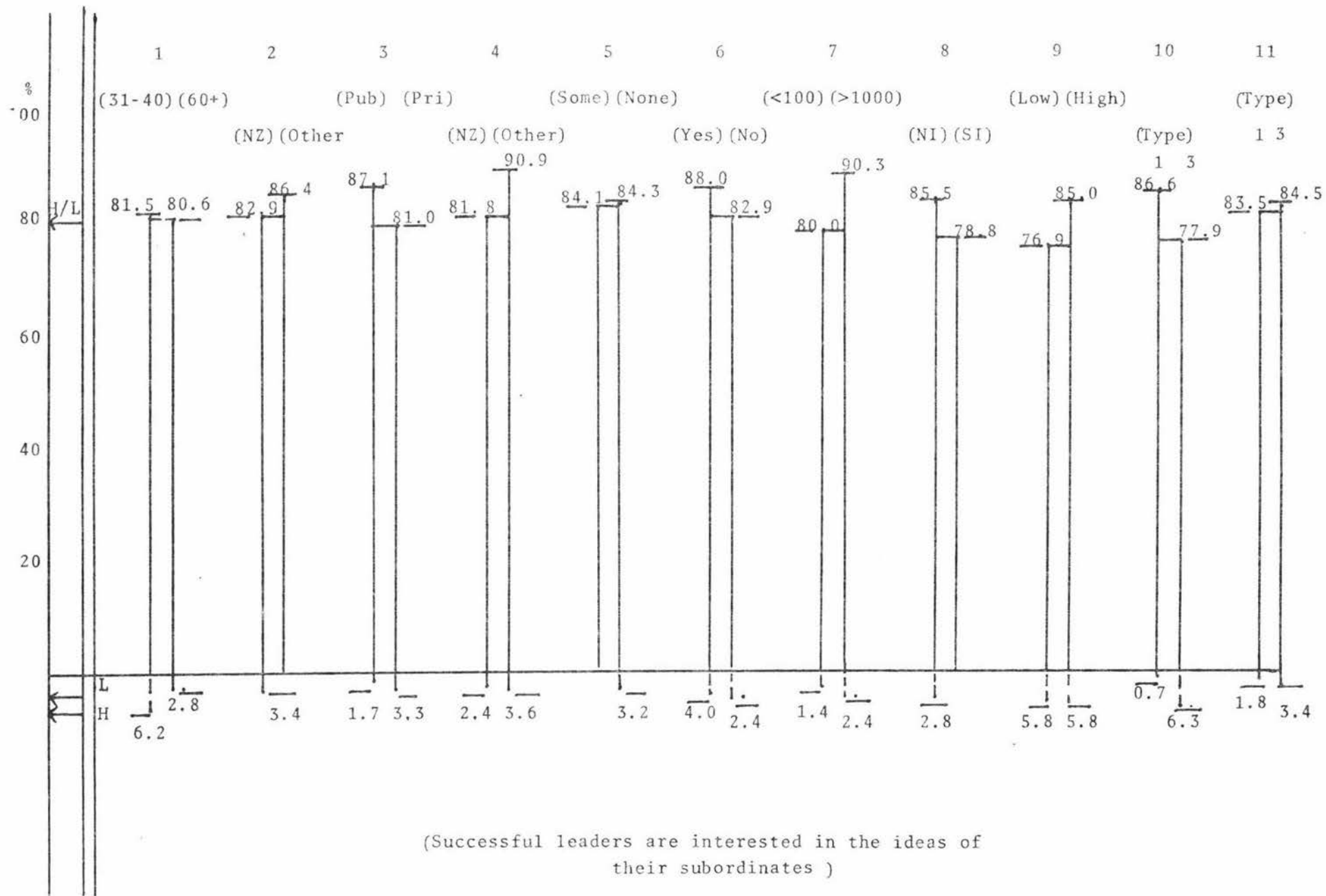


Fig (9)

Statement of Supervisory Attitude

{Successful leaders direct subordinates in exactly what they should do and how to do it}

Fig (10)

Results

Overall sample response is strongly in disagreement with this dimension of supervisory behaviour (65.8%).

The locus of this negative response appears to be the younger chief executives based in the larger sized companies who have no ownership control over the companies they manage, and to a lesser extent those companies which are operating in high competitive pressure environments.

The principle trend - of-support line includes the older group of executives operating in the smaller company who have a measure of executive control over the companies they manage.

Analysis

The largest degree of difference between High and Low Conservatism occurred on this supervisory dimension. The close correlation between increasing age and increasing levels of conservatism appears to be supported by the results. Age emerges as the main variable reacting to the supervisory dimension. Whereas 18% more (68.0%-50.0%) of the younger than the older Chief Executives reject the contention 22% more (33.3%-11.3%) of the older group than the younger give the proposition positive support. The proposition contains strong overtones of authoritarian control over organisational order.

Highly competitive environments may be seen as increasing the need for internal to the company interpersonal support, reliance and confidence, values which demand a degree of job autonomy distributed throughout the range of organisational levels. The larger an organisation becomes the

greater the need to delegate and disaggregate authority over activity. The establishment of action patterns and their execution allows for devolution at one or both levels - a subordinate may be allowed to participate in the setting of work goals of a strategic or non-strategic kind and/or permitted to develop the means and processes to achieve them. To retain exact directive control over both aspects for all organisational levels is an endorsement of both autocratic and bureaucratic values. Sheer size works against such highly developed control structures in the private business sector, a fact supported to some extent by the findings.

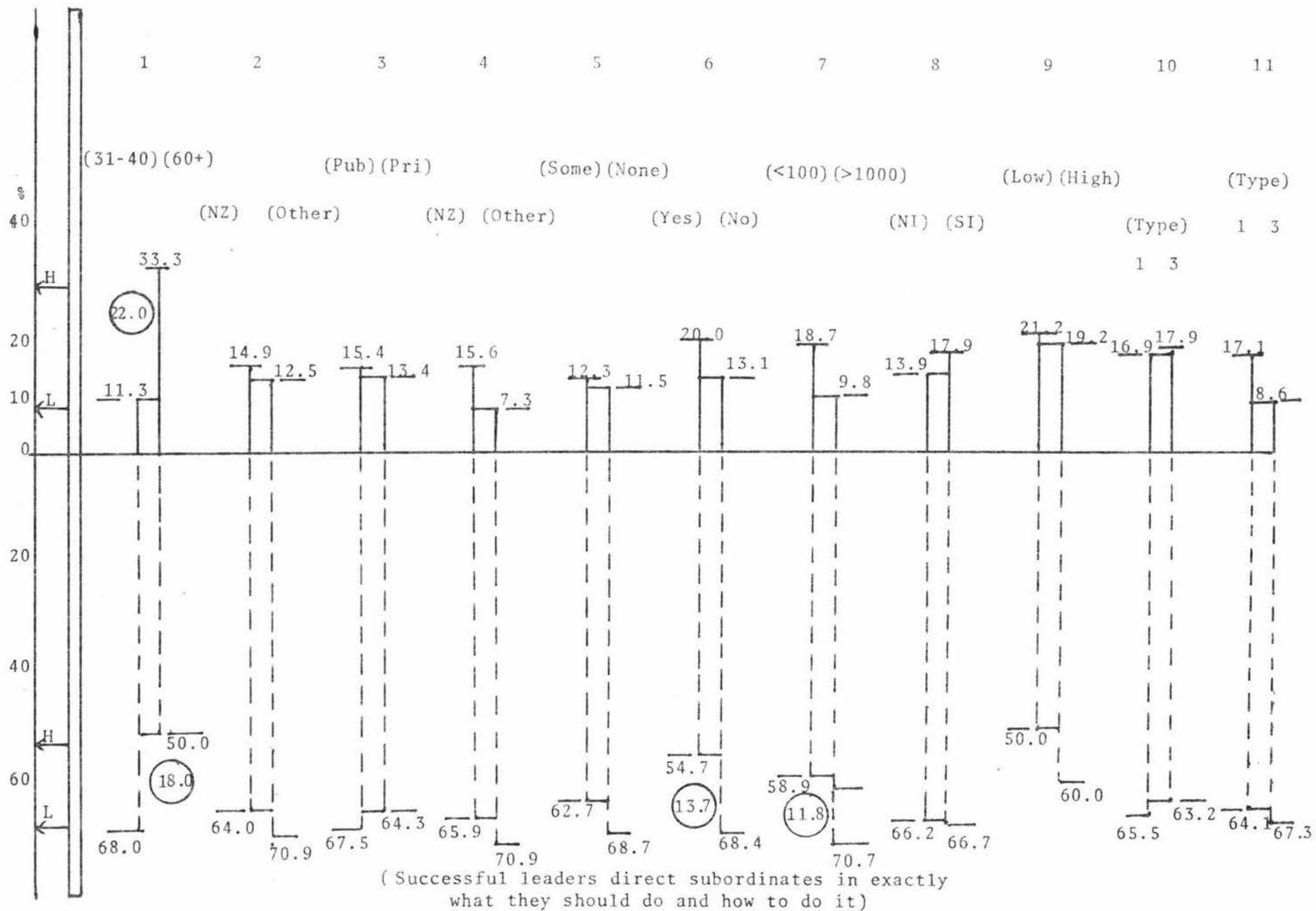


Fig (10)

Statement of Supervisory Attitude

{Successful leaders involve as many people as possible in the making of important decisions}

Fig (11)

Results

This supervisory dimension gains a bare majority (51.4%) of support from the total sample. Principle direction of support for this supervisory attitude comes from the older chief executive group, New Zealand born, who manage New Zealand owned companies operating in high pressure competitive environments and which have adopted Type 1 competitive postures for current activity.

By contrast the least support derives from the younger executive operating in low pressure environments with Type 3 competitive philosophies.

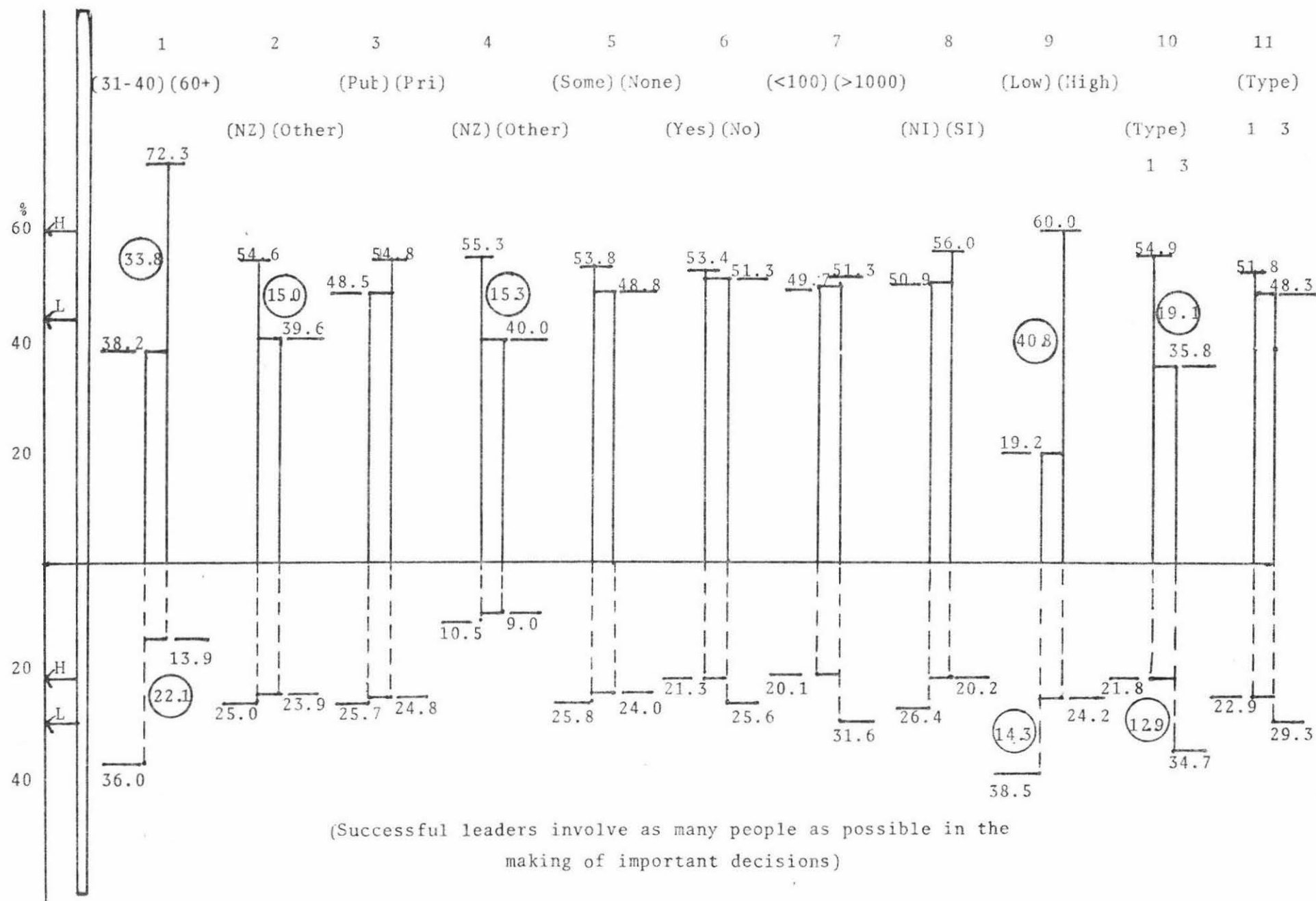
Analysis

The main influencing variables appear to be Executive Age and the environmental pressure bearing on the company from its competitors. It has long been the popular contention that for New Zealand a decision making style, in which the diffusion of responsibility was coupled with egalitarian practice, allowed for consensus policy formation and resulted in behaviour suitable and compatible with the New Zealand business philosophy.

The findings appear to support the contention that this is held to be valid supervisory decision making practice by a significant proportion of New Zealand chief executives. There are however, major qualifications to this generalisation that emerge from the research. Age effects are strong - the older a chief executive gets the more he endorses such a policy; a difference exists of 34.1% as between old and young executives in their positive support and 22.1% in the rejection of such a proposition.

Companies operating in high pressure competitive environments are 40.8% ahead in relative percentage terms (60.0%-19.2%) in their support of such a supervisory stratagem. It would appear that with increase in such pressures there results an organisational attempt to share or spread the competitive burden. In this case conservative behaviour does not equate with authoritarian control and the wish to dominate but with a spreading of the maintenance/supportive role as a hedge against risk and uncertainty.

FIG (11)



Statement of Supervisory Attitude

{Major policy decisions made by committees are superior to those made by the Chief Executive alone}

Fig (12)

Results

The main support for this supervisory dimension comes from the older chief executive, located in the smaller companies operating with Type 3 competitive postures as the strategic option.

Analysis

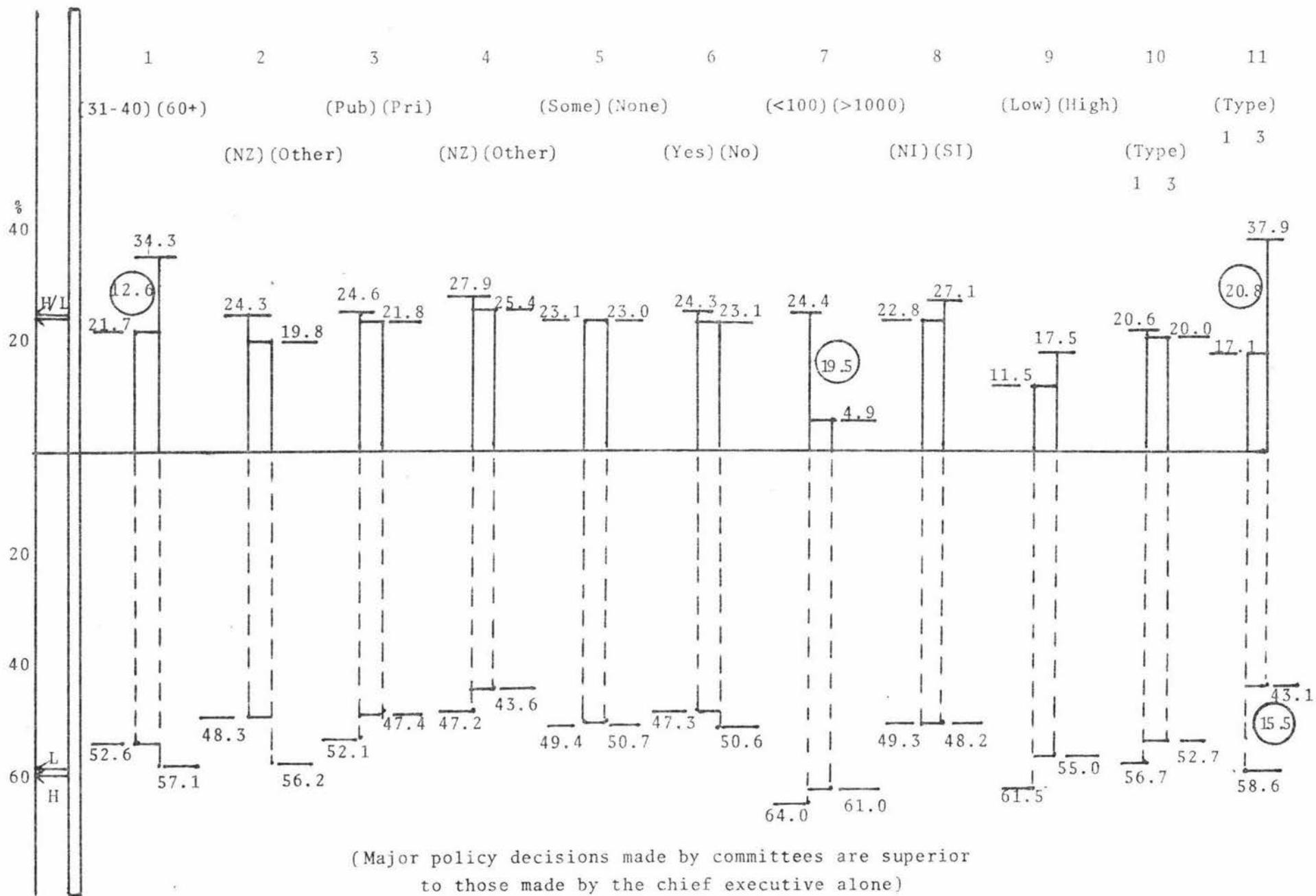
Although an overall (50.0%) of executives disagree with this contention there is no significant discrimination in that disagreement; differences for all the demographic variables are minimal and it is only in the long term competitive posture that an indication is given that those companies most opposed to this proposal tend to support Type 1 competitive postures.

This dimension of supervision advocates the sharing of decision making concerned with futures: major policy decisions are those guideline choices that determine the strategic and long-term futures of companies - their growth and survival decisions.

Not unsurprisingly the item most responsive to this suggestion is the long Run Competitive Posture measure which represents the overall relationship position of the organisation to its operating environment. Significantly more (20.8%) of those companies which endorse a Type 3 strategy for their future subscribe to the statement - those whose posture is of a survival type. Conversely companies who employ a Type 1 posture most strongly disagree - a difference of 15.5% over the Type 3 endorsing companies.

Company size makes a significant input to discrimination on this dimension. Nominal numbers only (4.9%) of large companies are in agreement; 24.4% of small companies are in favour - a difference of 19.5%. Since the cross-cultural factor differences are of only marginal effect in this instance the difference of 19.5% appears to be attributable primarily to structural dissimilarities in the organisations themselves arising out of size differences. Smaller and perhaps more vulnerable companies see a need to spread or diffuse executive authority and control and this is best institutionalised in the process of committee decision making. Since the dimension stresses the strategic survival aspects of growth and change the need to share such responsibility is high; coupled with this is the belief that group decisions are inately superior to individual decisions in accuracy and utility and that when dealing with the long term a wider net manufactures more credible options for behaviour. It could be expected that in larger companies chief executives would be able to draw from a more internalised and sophisticated information base and hence abrogate the need for the committee form of data collecting and synthesizing.

Fig (12)



Statement of Supervisory Attitude

{Subordinates usually want to take on more responsibility than they are able to handle}

Fig (13)

Results

Overall 56.4% of the total sample is in disagreement with the statement. Within this general trend the strongest opinion-set may be located with the younger chief executive in the smaller overseas owned firms, operating in high competitive pressure environments, with a Type 3 current competitive posture.

Analysis

These elements paint a scenario of a younger executive, concerned with career growth and success, who is dependent on the cooperative contributory support and energies of other organisation personnel; an executive who needs their extra commitment to task and achievement to sustain his own high drive and motivation levels directed to his executive downstream career goals. The country of birth variable does not discriminate for this supervisory proposition but cross-cultural differences do arise with the country of company ownership; the overseas owned organisation, with externally established and rated employee productivity levels, exceed the New Zealand owned companies by (15.1%) in their level of rejection.

The smaller company with a diminished total level of internalised resources and with a diminished skill spectrum would need to call on extra contributory inputs from their personnel. A trend appears that with increasing skill range development coupled to organisational growth and expansion the vulnerability of the organisation to any one employees' contribution decreases. The smaller company appears to be proportionately more pessimistic of the willingness of employees to expand and sustain work inputs

outside their specific job and responsibility portfolio; the recognition of this phenomenon by Chief Executives in charge of the smaller organisation may be linked to the relatively closer proximity such executives experience with the actual operating face of their company, and the need to deal practically and immediately with motivational formulae. A reason for the diminution of productivity rigidities as company size increases could lie in the expanding career path opportunities and the ability of larger organisations to package a range of different motivators; this leads to the encouragement of employees to accept and consistently excel comfortable work-responsibility loadings.

The combination of high competitive pressure environments and survival strategies of the Type 3 type calls forth organisational commitments from employees of the extraordinary kind; the 15.7% difference in the current Competitive Posture practice (Var 10) disappears for strategic futures (Var 11) an indication perhaps that the most desired operating typology matches an increasingly aggressive approach by the company to its growth and development.

In sum the analysis points up the frustrations of foreign entrants to New Zealand operating conditions experiencing shortfalls in the match of supply to demand for employees with high achievement drives - in this case in the area of work responsibility and the desire and drive to assume leadership and administration roles matching the demands of organisational growth and development.

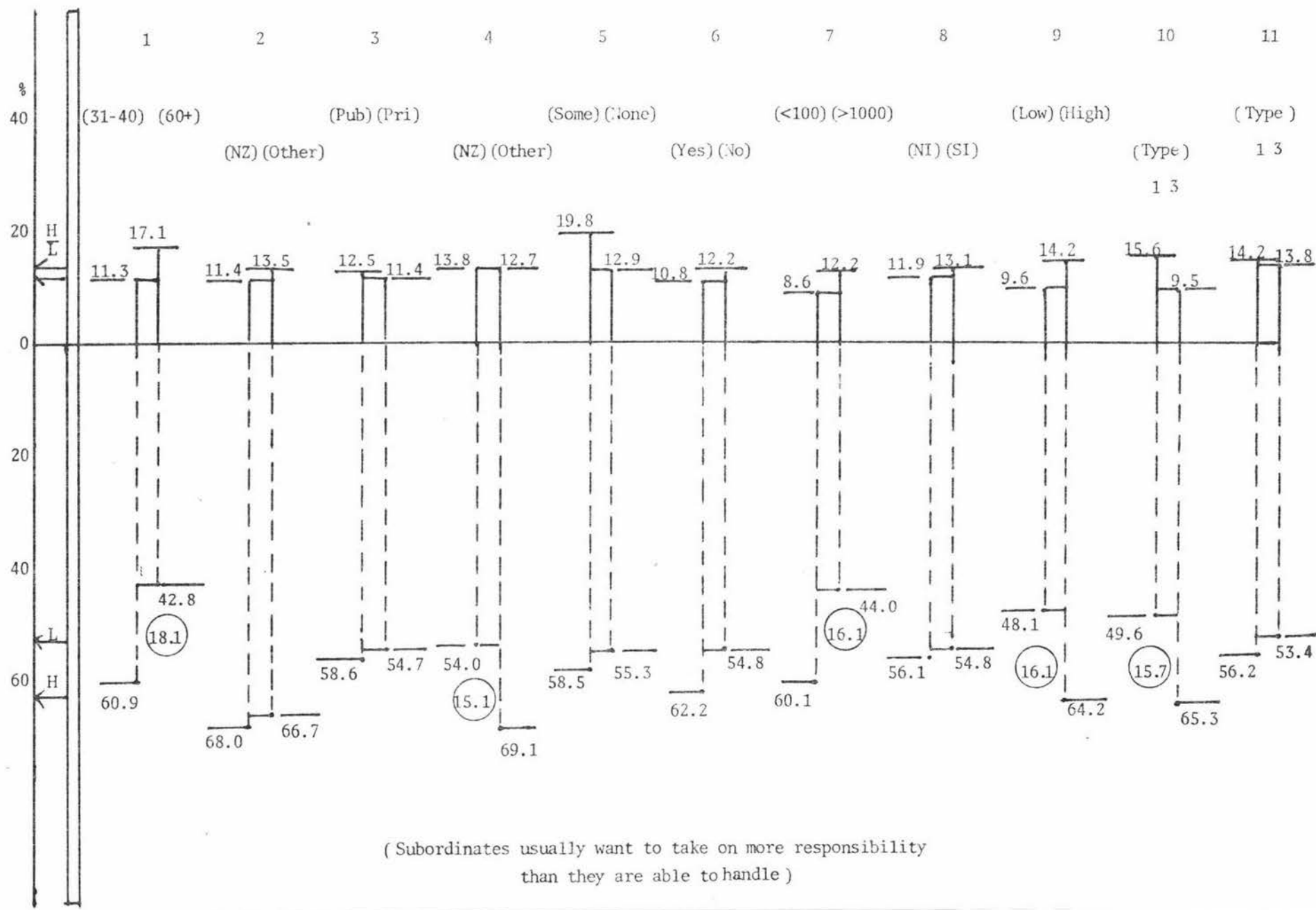


Fig (13)

Statement of Supervisory Attitude

{If a subordinate sees the likelihood of promotional opportunities, he will work harder and more effectively}

Fig (14)

Results

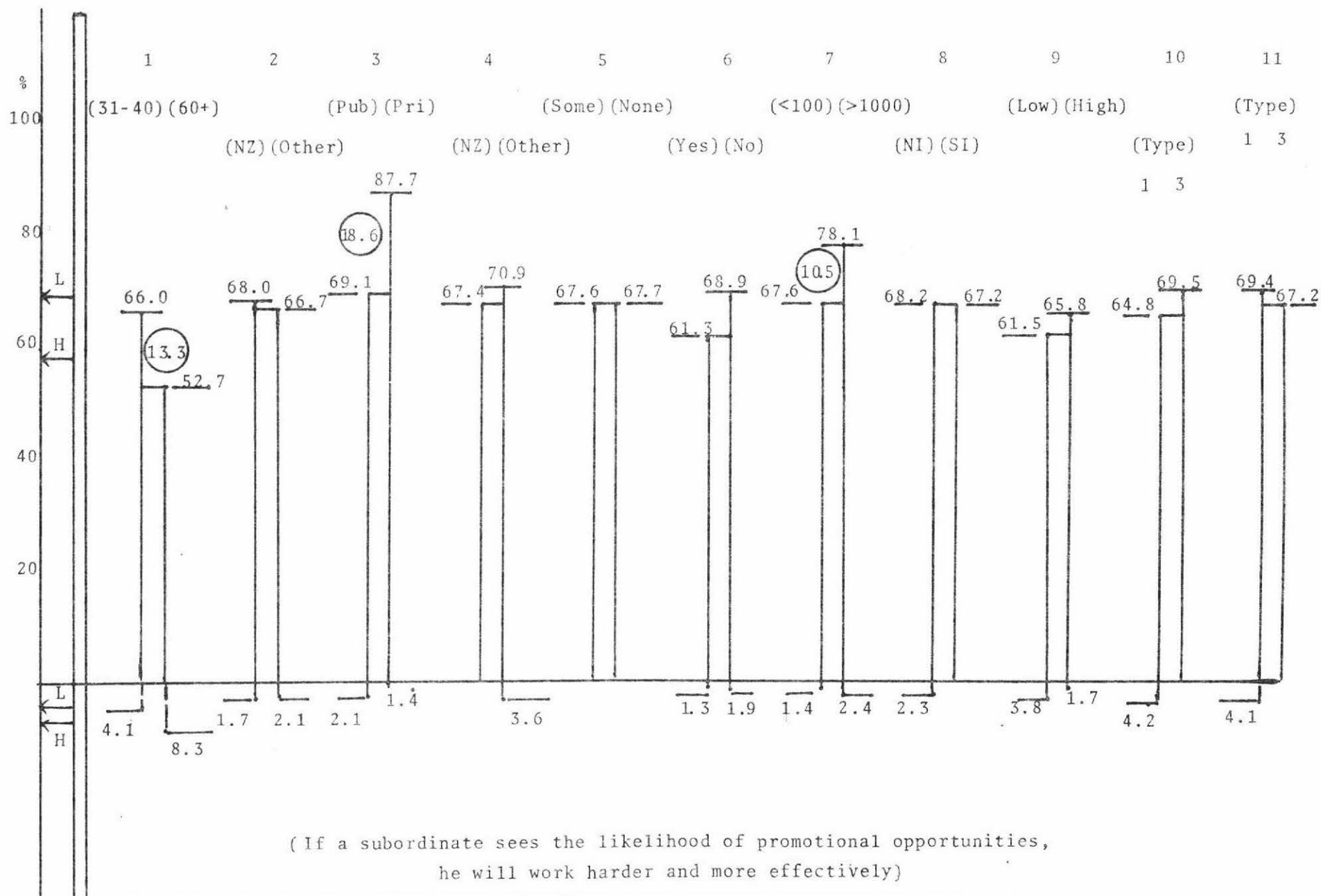
A high percentage of Executives endorsed this dimension; 67.9% were in overall agreement. Only 1.8% of all executives rated their agreement as low.

Very little discrimination occurred across this level of support. One trend of emphasis does occur however with the younger executives in the larger Private companies: younger exceeded older executives by 13.3% in their support. Private companies exceeded Public by 18.6% and larger companies exceeded smaller companies by 10.5%.

Analysis

The respondents clearly affirm their support for the contention that incentives, expressed in career path terms and therefore fixed to organisational futures and growth, will prompt both quantitative and qualitative work enhancement. Those who would be expected to gain most from such a belief would be the early starters on such career path prospects - the younger executive. It would appear from the response pattern that Private companies offer dimensional differences in executive career growth options over the Public organisation - a perceptual difference that would bear further investigation.

Fig (14)



Chapter Six

Hypothesis 4

That no significant difference exists in attitudes held towards Social and Economic conditions as between those Chief Executives who are high or low in conservatism.

Respondents were asked to indicate their measure of agreement (High/Low) on a range of variable statements covering nine social and economic dimensions affecting or related to growth dynamics in the environments surrounding their companies.

Results

CONSERVATISM AND SOCIAL AND ECONOMIC CONDITIONS

Social/Econ Condition	Conservative Level	Degree of Agreement		
		Very Low		Very High
		%	(0-7)	%
Minority Problems	Low	44.9	3.14	14.3
	High	44.0	2.72	2.3
Community Groups	Low	48.9	2.85	4.1
	High	48.8	2.65	9.3
Living Standards	Low	8.1	5.04	48.9
	High	4.6	4.84	39.5
Life Styles	Low	16.3	4.08	18.4
	High	16.3	4.44	39.5
Resource Ownership	Low	12.2	4.49	26.5
	High	0.0	4.58	25.6
Rights and Duties	Low	18.4	3.95	12.2
	High	6.9	4.79	25.6
Decision Making	Low	8.2	5.44	55.1
	High	0.0	5.67	65.1
Production Marketing	Low	8.2	4.49	22.5
	High	2.3	4.56	27.9
External Pressures	Low	10.2	4.87	40.8
	High	4.7	5.25	53.5

Table (49)

Analysis

Although differences were established on certain of the variables significance at an adequate level for the purpose of the research was not established.

Hypothesis 5

That no significant difference exists in the levels of Stress and Tension as between those Chief Executives who are high or low in conservatism.

Respondents were asked to rate the present levels of stress in the environment both on and off the Job and for Physical as well as Emotional Stress. Additionally they were asked to rate their ability to cope with the levels of stress that they encountered.

Results

		<u>STRESS</u>		
	Conservatism	High	Low	μ
a) Present Level	Level	%	%	
Job Centred Stress	Low	48.9	12.8	3.46
	High	56.4	0.0	3.74
Non Job Centred Stress	Low	17.0	44.7	2.60
	High	23.3	44.2	2.90
Physical Stress	Low	6.4	57.4	2.23
	High	4.7	58.1	2.23
Emotional Stress	Low	38.3	29.8	3.13
	High	30.2	27.9	2.95
b) Ability to Cope				
Job Centred Stress	Low	61.7	0.0	3.76
	High	60.5	4.7	3.65
Non Job Centred Stress	Low	55.4	4.3	3.59
	High	60.5	14.0	3.67
Physical Stress	Low	57.5	8.6	3.57
	High	53.5	18.5	3.39
Emotional Stress	Low	46.8	8.5	3.51
	High	44.1	23.3	3.27

Table (50)

Analysis

For the dimension employed, no significant differences were found to exist between executives LOW or HIGH in conservatism either in the levels of stress experienced or in their abilities to cope with such levels.

Chapter Seven

The study has attempted a researched analysis of the interaction on the change dimension of a management culture with its operating environment. The culture is defined and contrasted by the levels of conservatism found in the executive personality.

Some of the principle findings and their implications are outlined in the following paragraphs: respondent characteristics; executive/corporate attitudes and postures on competition and innovation; executive utilization of the organisational manpower resource for competition and innovation.

Respondent Characteristics

The sample yielded significant variations in the physical and personality characteristics of leadership; in some instances there was further modification from cross-cultural effects.

Age has a clear influence on the degree of executive conservatism. In general a step up in age meant a corresponding step up in the level of conservatism - this clearly held till around middle age; in this region the sample tended to branch with one stream of executives continuing to increase in their conservatism levels with another and slightly smaller grouping holding to LOWc levels (2):

The longer the period of time spent in the educational process the lower the level of conservatism - this was more strongly emphasized in the Overseas rather than the New Zealand Born, but was significant for both;

(2) In (Appendix 1 Fig (18)) this can be observed as a branching effect starting to take place at between 45 - 50 years of age.

At the geographical extremes, (North of the North Island and South of the South Island), and for the range between differences were found in the percentage representation of the LOWc and HIGHc in the business population. In the extreme South the HIGHc out-represented the LOWc executive by 3.5 to 1; in the extreme North the HIGHc to LOWc ratio is .7 to 1 giving a slight edge to the LOWc executive. Over the same geographical dimension companies located in the South as contrasted with the North Island employ proportionately twice the number of New Zealand to non-New Zealand born executives.

Country of Executive Birth effects on conservatism levels showed that approximately equal numbers of the New Zealand Born are to be found in the LOWc as contrasted with the HIGHc categories; non-New Zealand born executives in contrast are represented in the LOWc group 4.2 times more frequently than in the HIGHc.

In the case of Country of Company Ownership influences the LOWc/HIGHc executive ratio was close to 1:1 in New Zealand owned companies; by way of comparison LOWc out-represents HIGHc executives by 3:1 for the Overseas owned.

The listing above highlights the diversity and range of leadership/organisational characteristics in the respondent population. Change studies however have tended to focus on broader structure and process variables without sufficient account being taken of the motivational and attitudinal characteristics of the human condition at work in such change. A tendency exists to describe the broad principles of change in global and undelineated terms without relating it to the characteristics of the management culture (structural and behavioural) which frequently has a jurisdictional control over the change. By way of example one scale factor, organisational size, can illustrate this inter-relationship.

The small scale enterprise is the dominant business form in New Zealand (3); this means that the overall direction of an economic sectors growth is the sum of the decisions of a large number of participating firms. Any conclusions about small company performance that focused on the scale aspect (small/large) itself as being the only or the main operant factor in conditioning their behaviour choices, would neglect the influence contributed by the heterogeneous input of the executive personality: a heterogeneity spelt out in part by this research.

In practice this means that where re-organisation is needed to upgrade organisational futures a simple re-structuring of the enterprise may be a solution only if the management group can successfully stage the introduction and implementation of that change; in addition, management must have the motivational set within their own personalities to carry the logic of the change forward into the new growth options (markets etc.) that the change anticipates. Can they take the step technologically (physically/structurally) is tightly bound to the quality and degree of directed leadership will, (behavioural), that goes into finally taking that step.

What the research has attempted is to identify the extent to which the strategic future of a company is a product of something more than the simple sum and expression of its physical system parameters. To expand an understanding of this dimension a deeper analysis for example of the political/economic standpoints of the executive is needed so as to elaborate the effects that particular conservatism levels in executive personalities take in practice. What decision options do certain levels of conservatism in leadership allow? What approach and avoidance traits emerge in dealing with reality definitions of change? Are there thresholds of executive conservatism that inhibit rather

(3) Devlin, M.H. The Needs and Problems of Small Firms in New Zealand, M. Comm. Thesis, Otago, 1976.

than protect organisational growth and in what forms would or should such thresholds manifest themselves? Are executives more conservative in their occupational as opposed to their private lives and how is that conservatism distributed among the attitude factor clusters from which the high or low conservative personality is constructed?

COMPETITION

The goals that business enterprises envision for their future may be defined by the competitive relationship they hold or to which they aspire in respect of their operating environments. The organisational attitudes expressed in the competitive pattern to which they adhere determine the distance, pace and direction in which they are to move, and the relationship they have with other entrants in the competitive arena of their choice.

The research classified competitive attitudes towards a share in available markets into three categories. Each category of competitiveness represented a unique posture a respondent could strive to occupy or maintain: to strive either for the dominant lead position, or to hold a major but non-dominant share, or for a share of the market sufficient to ensure survival. (Respectively classified Format Type's One, Two and Three).

Table (51) summarises the degree and direction of influence the six behavioural and organisational variables tested had on the distribution of respondent choice across the three formats. The long term time horizon tended to draw out and highlight the more implied and muted trends of the short time term.

The most dominant and aggressive dimension of competitive behaviour is characterised by the Type One Format. The pattern of strongest support for this came from companies that have the following mix of characteristics:

They tend to be the large and privately owned overseas organisations whose chief executives are low in their level of conservatism and who have little or no ownership control in the companies they manage; the operations tend to be centred in environments perceived as low in competitive pressure.

This patterning is mirrored in the short term where a near similar but less emphasized distribution occurs; the long term forecasted behaviour format appears to encourage an amplification of any underlying tendencies which are latent and moderated in the current dimension of activity.

The Type One Format produced the largest amount of value separation for the variables. By way of comparison separation in the long term for Format Three choices highlights support from the small and public New Zealand owned companies whose Chief Executives have a measure of ownership control; competitive pressure in the environment and level of executive conservatism have little determining influence in either time terms for this competitive dimension.

Distribution of Competitive Strategies

Var.No.	Variable	Value	Competitive Type One					
			Short Term			Long Term		
			%	%	d	%	%	d
1	Conservatism Level	(Low/High)	40.8 → 41.9		1.1	61.2 ← 45.8		15.4
2	Country of Ownership	(NZ/Overseas)	29.6 → 36.4		6.8	32.4 → 54.5		22.1
3	Chief Executive Ownership Control	(Control/Non-Control)	22.7 → 34.1		11.4	25.3 → 40.9		15.6
4	Company Type	(Public/Private)	26.6 → 37.3		10.7	30.0 → 47.2		17.2
5	Company Size	(Small/Large)	32.6 → 46.3		13.7	37.5 → 58.5		21.0
6	Competitive Pressure	(Low/High)	46.2 ← 25.8		20.4	48.1 ← 29.2		18.9
Competitive Type Two								
1	Conservatism Level	(Low/High)	38.8 → 39.5		0.7	28.6 → 35.9		7.3
2	Country of Ownership	(NZ/Overseas)	44.3 → 47.2		2.9	48.6 ← 40.0		8.6
3	Chief Executive Ownership Control	(Control/Non-Control)	41.3 → 47.2		5.9	42.7 → 48.8		6.1
4	Company Type	(Public/Private)	43.8 → 48.6		4.8	46.8 → 48.1		1.3
5	Company Size	(Small/Large)	42.0 → 44.1		2.1	46.3 ← 41.5		4.8
6	Competitive Pressure	(Low/High)	25.0 → 50.8		25.8	30.8 → 59.2		28.4
Competitive Type Three								
1	Conservatism Level	(Low/High)	20.4 ← 18.6		1.8	10.2 → 18.3		8.1
2	Country of Ownership	(NZ/Overseas)	26.1 ← 16.4		9.7	19.0 ← 5.5		13.5
3	Chief Executive Ownership Control	(Control/Non-Control)	36.0 ← 18.7		17.3	32.0 ← 10.3		21.7
4	Company Type	(Public/Private)	29.6 ← 14.1		15.5	23.2 ← 4.7		18.5
5	Company Size	(Small/Large)	25.4 ← 7.4		18.0	7.4 ← 0.0		7.4
6	Competitive Pressure	(Low/High)	28.8 ← 23.4		5.4	21.1 ← 11.6		9.5

Innovation Strategies

The research utilized two descriptive postures to identify companies which tend to employ broadly proactive or reactive innovation strategies. As a point of management practice, with respect to ideas, techniques and processes, they either attempted to be the first to try to implement the promising but mainly unproven or they preferred to wait and adopt the proven and established. (Table (52)).

The following position descriptions identify the overall characteristics of the executives and those companies that support one or other of the postures:

First To Do

The most support for this strategy choice comes from the New Zealand owned (32.7%) public company (37.1%) participating in low competitive pressure (40.4%) environments; more marginal support comes from the smaller sized operation managed by the younger New Zealand born chief executive who is low in his level of conservatism.

Prefer To Wait

The most support comes from the older (59.3%) and more conservative (53.6%) chief executives operating in the smaller companies (55.8%); country of executive birth or company ownership influences are minimal as well as the size of the company and the competitive environments in which they operate.

A third category was developed from the sample response pattern identifying those respondent firms who alternated between the two positions and employed a mixed competitive strategy.

Mixed

Principle support came from the younger and less conservative chief executive, irrespective of his country of birth,

managing in the larger private and overseas owned company, with a marginal tendency towards high pressure company operating environments.

Innovation

No attempt was made in the research to identify one level of Chief Executive conservatism as being better fitted to cope with innovative change than another: the results did however indicate that LOWc executives tended to be more proactive and adventurous - under certain circumstances this could be considered hazardous and self-annihilating behaviour; conversely the HIGHc may avoid low levels of easily contained risk activity that led to excessive caution and lost opportunity. What did appear was that the LOWc grouping made a greater use of a mixed strategy towards achieving innovative change - employing active growth and holding positions alternatively as the situation demanded; HIGHcs' however assigned most support to the holding options. Where flexibility is a key to organisation survival the LOWc would seem to have an edge over his HIGHc contemporary.

The research raises such important innovation related dimensions to organisational behaviour as: what creates and confirms the commercially adventurous executive or firm? Are some leadership characteristics societally selected which forms the leadership culture and the matrix from which it draws its innovation formulas? What are the main determinants to the re-definition of an organisations innovation stance across time and is innovation per se a survival necessary characteristic? Is innovative behaviour functionally linked to the authoritarian/democratic dimension of leadership behaviour?

Distribution of Innovation Strategies

Variable No.	Variable List		First to Do				Strategy Type				Mixed			
			%	%	d	R	%	%	d	R	%	%	d	R
1	Conservatism Level	Low/High	30.0	← 21.4	8.6	4	20.8	→ 53.6	32.8	1	49.2	← 25.0	24.2	2
2	Executive Age	Young/Old (31-40) 60+	26.8	← 18.8	8.0	4	29.3	→ 59.3	30.0	2	43.9	← 21.9	22.0	2
3	Executive Country of Birth	NZ/Other	30.9	← 25.6	5.3	4	40.7	→ 44.8	4.1	4	28.4	→ 29.6	1.2	4
4	Company Size	Small/Large	29.8	← 23.5	6.3	4	55.8	← 29.4	26.4	2	14.4	→ 47.1	32.7	1
5	Company Type	Public/Private	37.1	← 22.3	14.8	3	41.6	→ 42.3	.7	4	21.3	→ 35.7	14.4	3
6	Country of Ownership	NZ/Other	32.7	← 16.3	16.4	3	41.3	→ 42.9	1.6	4	26.0	→ 40.8	14.8	3
7	Competitive Pressure	Low/High	40.4	← 28.4	12.0	3	44.7	→ 47.1	2.4	4	14.9	→ 24.5	9.6	4

R = Order of Difference (d)

31 +	1	High
21 - 30	2	↓
11 - 20	3	↓
0 - 11	4	Low

Manpower Utilisation (Supervisory Value Analysis)

Some indication of the relationship between executive leadership, conservatism levels, and the manpower utilization futures within the organisation was gained through an analysis of the supervisory attitudes of its management. These supervisory measures collectively describe the power distribution structures in the organisation, the centrality or otherwise of power, and the balance between organic as opposed to structural views of human resource growth and development. These parameters in turn affect the organisations approach and handling of change induced, manpower related events. Table (53) summarises the overall direction of agreement (Agree/Disagree) for the full sample for each of the supervisory dimensions (S.D.) considered.

Supervisory Attitude Summary

Supervisory Dimensions (S.D.)	Overall Direction of Agreement
S.D. One - Executives who are owners are more interested in the well-being of employees than are hired managers.	Disagree
S.D. Two - Successful leaders must be exceptionally self-confident.	Agree
S.D. Three - Successful leaders are interested in the ideas of their subordinates.	Agree
S.D. Four - Successful leaders direct subordinates in exactly what they should do and how to do it.	Disagree
S.D. Five - Successful leaders involve as many people as possible in the making of important decisions.	Agree
S.D. Six - Major policy decisions made by Committees are superior to those made by the Chief Executive alone.	Disagree
S.D. Seven - Subordinates usually want to take on more responsibility than they are able to handle.	Disagree
S.D. Eight - If a subordinate see the likelihood of promotional opportunities he will work harder and more efficiently.	Agree
	Table (53)

With respect to the use and control of human resource elements the overall expressed tendency is towards an open-organic, quasi-democratic system. Executives tended to believe that their success as leaders stemmed from an interest in the ideas of their subordinates, (S.D.Three-Agree), and a willingness to involve as many employees as possible in the making of important decisions (S.D.Five-Agree). The implication of this is that leadership is aware and places value on the non-management employees contribution to company growth, and that this should be operationalised in a meaningful decision making and formulating process. Any attempt towards excessive centralisation of decision making was rejected, (S.D.Four-Disagree), as was the diffusion of decision making responsibility away from individuals and into groups, (S.D.Six-Disagree). It would seem then that whilst respondents saw devolution of decision making power as important, in the strategic area of company policy this should be reserved to individual responsibility; the dimensions employed however did not establish the organisational levels to which important or strategic decisions could be delegated. Taken together (S.D.Seven-Disagree and S.D.Eight-Agree), indicate a belief on the executives part that, although employees are basically lacking in self-motivation, reward systems can be developed to generate the required ingredient.

Conservatism related differences occurred on S.D. One, Four and Five. In the case of S.D. One the measure concerns property ownership. HIGHc exceeds LOWc executives in their identification and affirmation. An explanation for this may lie in the chronological age/conservatism relationship - the older the executive becomes, the greater is the possibility that he acquires significant property control in the organisation under him. With this comes a greater sense of responsibility for the collective futures of the organisations membership - an urban industrial paternalism arises that conceives however well-intentioned, the welfare of the human resource as directly equivalent in property

terms to that of the proprietor ... organisational property in its widest sense.

The lessons this carries for organisational futures are complex and problematic. How do managers with varied personality types plan for manpower futures in their companies? What cost/benefit equations exist in times of organisational stress (recession), for retaining or releasing human capital to re-structure overall company economies? What attitudinal differences do different personality types exemplify in their philosophical/ideological definitions of human capital for its possession, control, use and dispensation? How does the possession of large amounts of authority over strategic decision making power shape the leaderships sense of human resource development/exploitation. The answers to such questions have major societal impacts for moves to rationalize regional and national manpower use.

One of the difficulties in comprehensive manpower planning is that, although heightened planning efficiencies can be gazetted into organisational growth-futures at the sub-ownership personnel level, the executive who is owner is accountable only to himself for his own task deficiencies. The capacity to manage manpower futures effectively concerns in part the sense of responsibility the executive possess for dependent personnel as well as the accuracy with which he performs the mechanics of the management planning function. What self-view or image do the different executive personality types possess of themselves? What inhibiting or enervating parameters does this place on executive self-development and growth toward a functionally adaptive personality change? Can organisations as a whole be adaptive and survival prone if the executive ownership displays insufficient levels of this characteristic?

Caring/sharing, exploitation/dominance represent polar views on the control and use of the human resource. Future directions of organisational growth will reflect the expression of

an executive's point of identification (attitudinal position) on this dimension. Does executive ownership result in effective planning of futures and is such efficiency expressed in such basic employee welfare as job security and permanence? Is such welfare better guaranteed when it is tied to enlightened self-interest? The particular cast of the executive personality can be influenced by such probable considerations towards survival into growth or into company collapse and demise.

With regard to S.D. Five the ability to forecast futures is a function of the information gathering and decision making efficiencies of the current time period. Innovative activity embraces both the insight to an idea, technology or evolutionary process and the motivation and will to implement the consequence of the insight in a practical form.

Two basic approaches may be identified to such forecasting: sole judgement or a form of consultant/consensual procedure; the former embraces the potential for excessive correctness or error the latter holds the promise of a golden mean, an averaging towards a tailored 'best fit' strategy. Theorists (4),(5) have identified a capacity for potentially higher levels of creativity and flexibility, (an element in innovative behaviour), in the sole judgement. Whilst the group process moderates the risk for inaccurate decision making it also diminishes this potential for insightful behaviour by the creatively solo manager.

The research indicates that the LOWc shows less favour for the collective approach than the HIGHc executive. An element of competitive perception also intrudes in that consensus decision making represents a spread-of-risk

-
- (4) Levitt, T. Innovative Imitation. Harvard Business Review, 44(5), 1966, pp63-70.
- (5) Schoen, D.R. Managing Technological Innovation. Harvard Business Review, 47(3), 1969, pp156-167.

approach to growth and an attempt to produce organisational convergence on corporate policies and goals. The fact that the overall sample is in agreement and that there is a sizeable minority of LOWc executives supporting this strategy shows a strong national tendency toward this decision making format.

BIBLIOGRAPHY

Journals and Periodicals

- Burns, T. Micropolitics: Mechanisms of Institutional Change.
Administrative Science Quarterly, 6(3), 1961,
pp257-281.
- Cadwallader, M.L. The Cybernetic Analysis of Change in
Complex Social Organisations.
American Journal of Sociology, 65(2), 1959, pp154-157.
- Child, J. Organisational Structure, Environment and
Performance: The Role of Strategic Choice.
Sociology, 6, 1972, pp1-22.
- Cyert, R.M., Dill, W.R. & March, J.G. The Role of
Expectations in Business Decision Making.
Administrative Science Quarterly, 3, 1958-59,
pp307-40.
- Duncan, R.B. Characteristics of Organisational Environments
and Perceived Environmental Uncertainty.
Administrative Science Quarterly, 17(3), 1972,
pp313-327.
- Emery, F.E. & Trist, E.L. The Causal Texture of Organisa-
tional Environments.
Human Relations, 18(1), 1965, pp21-32.
- Fink, S.C. et al., Organisational Crisis and Change.
Journal of Applied Behavioural Science, 7(1), 1971.
- Greenfield, T.B. Organisations as Social Inventions:
Rethinking Assumptions about Change.
Journal of Applied Behavioural Science, 9(3), 1973,
pp551-574.
- Greiner, L.E. Evolution and Revolution as Organisations
Grow.
Harvard Business Review, 50(4), 1972, pp37-46.
- Heirich, M. The Use of Time in the Study of Social Change.
American Sociological Review, 29(3), 1964,
pp386-397.
- Knight, K.E. A Descriptive Model of the Intra-Firm Innova-
tion Process
The Journal of Business, 40, 1967, pp478-96.
- Lawrence, P. How to Deal with Resistance to Change.
Harvard Business Review, 32(3), 1954, pp49

- Levitt, T. Innovative Imitation.
Harvard Business Review, 44(5), 1966, pp63-70.
- Mansfield, E. Technical Change and the Rate of Imitation.
Econometrica, 29, 1961, pp741-66.
- Morse, J.J. & Lorsch, J.W. Beyond Theory Y.
Harvard Business Review, 48(3), 1970, pp61-8 .
- Normann, R. Organisational Innovatedness: Product Variation and Re-orientation.
Administrative Science Quarterly, 16(2), 1971, pp203-15.
- Peterson, R.B. A Cross-cultural Perspective of Supervisory Values.
Academy of Management Journal, March 1972, pp105-117.
- Rosner, M.M. Economic Determinants of Organisational Innovation.
Administrative Science Quarterly, 12, 1967-68, pp614-625.
- Schoen, D.R. Managing Technological Innovation.
Harvard Business Review, 47(3), 1969, pp156-167.
- Shaw, D. Profit Goals and Social Responsibility, Paper No.11. Occasional Paper Series, Department of Business Studies, Massey University,
- Spencer, P. & Sofer, C. Organisational Change and its Management.
Journal of Management Studies, 1, 1964, pp26-47
- Thompson, J.D. & McEwen, W.J. Organisational Goals and Environment: Goal-setting as an Interaction Process.
American Sociological Review, 23(1), 1958, pp23-31.
- Thompson, V. Bureaucracy and Innovation.
Administrative Science Quarterly, 10, 1965, pp1-20.
- Tolman, E.C. & Brunswicke, E. The Organism and the Causal Texture of the Environment.
Psychological Review, 42, 1935, pp43-72.

Texts

- Chamberlain, N.W. Enterprise and Environment: The Firm in Time and Place
McGraw Hill Co., 1968.
- Eysenck, H.J. The Psychology of Politics,
Routledge and Kegan Paul, London 1954.
- F.E.P. Productions Ltd., The New Zealand Business Who's Who,
Wellington, 1975(Sixteenth) Edition.
- Hines, G.H. The New Zealand Manager,
Hicks, Smith & Sons, Wellington
- Nie, N.H. et al., Manual S.P.S.S.,
McGraw Hill, 1970.
- Rokeach, M. The Open and Closed Mind,
Basic Books, Inc., N.Y. 1960.
- Smith R.W. New Zealand Hotel and Motel Managers: An Attitude Study,
Unpublished Research Report, Department of Business Studies, Massey University, 1976.
- Thompson, J.D.(ed) Approaches to Organisational Design,
Pittsburg, University of Pittsburg Press, 1966.
- Wilson, G. The Psychology of Conservatism,
Academic Press, London, 1973.

REFERENCES

Journals and Periodicals

- Aitken, M. & Hage, J. The Organic Organisation and Innovation.
Sociology 5, 1971, pp63-82.
- Allan, H.T. An Empirical Test of Choice and Decision Postulates in the Cyert-March Theory of the Firm.
Administrative Science Quarterly, 11(3), 1966, pp405-413.
- Argyris, C. Today's Problems with Tomorrow's Organisations.
Journal of Management Studies, 4, 1967, pp31-55.
- Argyris, C. The Individual and Organisation: Some Problems of Mutual Adjustment.
Administrative Science Quarterly 2(1), 1957-58, pp1-24.
- Bangel, A.B. Human Relations and the Management Analyst.
Systems and Procedures Journal, 18, 1967, pp30-32.
- Bennis, W.G. A New Role for the Behavioural Sciences: Effecting Organisational Change.
Administrative Science Quarterly, 8, 1963, pp125-165.
- Bennis W.G. Theory and Method in Applying Behavioural Science to Planned Organisational Change.
Journal of Applied Behavioural Science, 11(4), 1965, pp337-59.
- Bryson, L. Notes on a Theory of Advice.
Political Science Quarterly, 66, 1951, pp321-39.
- Burock, E.H. & Gopal, C. Technology and Managerial Obsolescence.
M.S.U., 18(2), 1970, pp49-56.
- Child, J. & Macmillan, B. Managerial Leisure in British and American Contexts.
Journal of Management Studies, 9, 1972, pp182-195.
- Clark, P.A. & Ford, J.R. Methodological and Theoretical Problems in the Investigation of Planned Organisational Change.
Sociological Review, 18(1), 1970, pp29-52.
- Coch, L. & French, J.R.P. Overcoming Resistance to Change.
Human Relations, 1(4), 1948, pp512-532.

- Corwin, R.G. Strategies for Organisational Innovation:
An Empirical Comparison.
American Sociological Review, 37(4), pp441-454.
- Dill, W.M. Environment as an Influence on Managerial
Autonomy.
Administrative Science Quarterly, 2, 1958, pp409-43.
- Emery, F.E. The Next Thirty Years: Concepts, Methods and
Anticipations.
Human Relations, 20(3), 1967, pp199-238.
- Etzioni, A. New Directions in the Study of Organisations
and Society.
Social Research, 27, 1960, pp223-8.
- Evan, W. & Black, G. Innovation in Business Organisations:
Some Factors Associated with Success or Failure of
Staff Proposals.
The Journal of Business, 40, 1967, pp519-530.
- Ewing, T. A Study of Certain Factors Involved in the Study
of Change of Opinion.
Journal of Social Psychology, 16, 1942, pp63-88.
- Greiner, L.E. Patterns of Organisation Change.
Harvard Business Review, 45(3), 1967, pp119-130.
- Greiner, L.E. Antecedents of Planned Organisational Change.
Journal of Applied Behavioural Science, 3, 1967,
pp51-58.
- Gross, A. Adapting to Competitive Change.
M.S.U., 18(1), 1970, pp13-22.
- Hage, J. & Aiken, M. Program Change and Organisational
Properties: A Comparative Analysis.
American J. of Sociology, 72(5), 1967, pp503-519.
- Hage, J. & Dewar, R. Elite Values Versus Organisational
Structure in Predicting Innovation.
Journal of Applied Behavioural Science, 11(4), 1965,
pp337-59.
- Hall, D.T. & Mansfield, R. Organisational and Individual
Response to Internal Stress.
Administrative Science Quarterly, 16(4), 1971,
pp533-545.
- Helwich, D.C. & Brown, W.B. Successor Type and Organisational
Change in the Corporate Enterprise.
Administrative Science Quarterly, 17(3), 1972, p371.

- Hovland, C.I. Reconciling Conflicting Results Derived from Experimental and Survey Results of Attitude Change.
American Psychologist, 14, 1959, pp8-17.
- Kelly, H.N. & Lamb, T.W. Certainty of Judgement and Resistance to Social Influences.
Journal of Abnormal and Social Psychology, 45, 1950, pp267-285.
- Lawrence, P.R. & Lorsch, J.W. New Management Job: The Integrator.
Harvard Business Review, 46(6), 1967, pp142-51.
- Litwak, E. & Hylton, L. (1962) Inter-Organisational Analysis: A Hypothesis on Coordinating Agencies.
Administrative Science Quarterly, 6, 1961-62, pp395-420.
- Livingston, J.S. Myth of the Well Educated Manager.
Harvard Business Review, 49(1), 1971, pp79-89.
- Lorsch, J.W. & Lawrence, P. Organising for Product Innovation.
Harvard Business Review, 43(1), 1965, pp109-122.
- Luke, R.A. et al., A Structural Approach to Organisational Change.
Journal of Applied Behavioural Science, 9(5), 1973, pp611-635.
- Lupton, T. Organisational Change: 'Top-Down' or 'Bottom-Up' Management.
Personnel Review, 1(Autumn), 1971, pp22-28.
- MacLauren, W.R. The Process of Technological Innovation.
American Economic Review, 40, 1950, pp90-112.
- McNulty, J.E. Organisational Change in Growing Enterprises.
Administrative Science Quarterly, 7, 1962, pp1-21.
- Majoro, S. The Organisation of Change.
Management Today, March, 1972, pp74-77.
- Manika, J. & Perrow, C. The Reluctant Organisation and the Aggressive Environment.
Administrative Science Quarterly, 10, 1965, pp238-57.
- Mann, F.C. et al., Observations on the Dynamics of a Change to Electronic Data Processing Equipment.
Administrative Science Quarterly, 5, 1960, pp217-256.
- Mansfield, E. The Speed of Response of Firms to New Techniques.
Quarterly Journal of Economics, 77, 1963, pp290-311.

- Martin, R. & Fryer, R.H. Management and Redundancy:
An Analysis of Planned Organisational Change.
British Journal of Industrial Relations 8(1), 1970,
pp69-84.
- Morse, N. & Reiner, E.R. The Experimental Change of a Major
Organisational Variable.
Journal of Abnormal and Social Psychology, 52, 1965,
pp120-129.
- Price, J. Use of New Knowledge in Organisations.
Human Organisations, 23(Fall), 1964.
- Pugh, D.S. et al., The Content of Organisational Structures.
Administrative Science Quarterly, 14(1), 1969,
pp91-114.
- Pugh, D.S. et al., A Conceptual Scheme for Organisational
Analysis.
Administrative Science Quarterly, 8, 1963, pp289-215.
- Pym, D. Effective Managerial Performance in Organisational
Change.
Journal of Management Studies, 3, 1966, pp73-84.
- Sapolsky, H. Organisational Structure and Innovation.
The Journal of Business, 40, 1967, pp385-392.
- Schwartz, W.L.K. Using the Outside Expert.
Management Review, 47(Aug.) 1958, pp4-8.
- Scurrah, M.J. et al., Influence of Internal and External
Change Agents in a Simulated Educational Organisation.
Administrative Science Quarterly, 16, 1971, pp113-20.
- Short, L.E. Planned Organisational Change.
M.S.U. Business Topics, 21(4), 1973, pp55-61.
- Shirley, R.C. A Model for the Analysis of Organisational
Change.
M.S.U. Business Topics, 22(2), 1974, pp60-68.
- Simon, H.A. Rational Choice of the Structure of the
Environment.
Psychological Review, 63(2), 1956, pp129-139.
- Slevin, D.P. The Innovation Boundary: A Specific Model
and some Empirical Results.
Administrative Science Quarterly, 16, 1971, pp515-531.
- Terreberry, S. The Evolution of Organisational Environments.
Administrative Science Quarterly, 12, 1968,
pp596-613.

- Tsouderos, J. Organisational Change in Terms of a Selected Series of Variables.
American Sociological Review, 20(2), 1955, pp206-210.
- Udy, S.H., Jr. Administrative Rationality, Social Setting and Organisational Development.
American Journal of Sociology, 68(3), 1962, pp299-308.
- Warner, B.W. A Comparison of Management Development and Organisational Development.
Journal of Applied Behavioural Science, 7, 1971, pp569-79.
- Zand, D.E. Collateral Organisation: A New Change Strategy.
Journal of Abnormal and Behavioural Science, 10(1), 1974, pp63-89.

Texts

- Basil, D.C. & Cook, C.W. The Management of Change,
 McGraw Hill, 1974.
- Beckhard, R. Organisational Development,
 Addison-Wesley Pub.Co., 1969.
- Bennis, W. Organisational Development,
 Addison-Wesley Pub. Co., 1969.
- Bennies, W., Benec, K.D. & Chin, R. The Planning of Change,
 Holt, Rinehart and Winston, New York, 1969.
- Copeman, G. The Chief Executive: and Business Growth,
 Leviathan House, 1971.
- Davis, K.(ed.) Organisational Behaviour,
 McGraw Hill Inc., 1974.
- Etzioni, A. A Sociological Reader on Complex Organisations,
 Holt, Rinehart and Winston Ltd., 1970.
- Gowler, D. & Legge, K.(eds.) Managerial Stress,
 Gower Press Ltd., 1975.
- Kolb, D.A., Rubin, I.M., McIntyre, J.A. Organisational Psychology,
 Prentice-Hall Inc., New Jersey, 1971.
- Lawrence, P.R. & Lorsch, J.W. Developing Organisations: Diagnosis and Action,
 Addison-Wesley, Reading, Mass., 1969.
- Litterer, J.A. The Analysis of Organisations.
 John Wiley and Sons, Inc., 1973.

Merton, R.R. Social Theory and Social Structure,
Glencoe Ill. Free Press, 1957.

Rowe, L.A. & Boise, W.B. Organisational and Managerial
Innovation, Goodyear Publishing Co. Inc., 1973.

Thomas, J.N. & Bennis, W.G. (ed.) Management of Change and
Conflict, Penguin Books Ltd., 1972.

Thompson, J.D. Organisations in Action
McGraw Hill Inc., 1967.

APPENDIX ONE

Appendix 1

Which of the Following do you Favour or Believe in?

Circle "Yes" or "No". If absolutely uncertain, circle "?".

There are no right or wrong answers; do not discuss; just give your first reaction. Answer all items.

1	death penalty	Yes	?	No	26	computer music	Yes	?	No
2	evolution theory	Yes	?	No	27	chastity	Yes	?	No
3	school uniforms	Yes	?	No	28	fluoridation	Yes	?	No
4	striptease shows	Yes	?	No	29	royalty	Yes	?	No
5	Sabbath observance	Yes	?	No	30	women judges	Yes	?	No
6	beatniks	Yes	?	No	31	conventional clothing	Yes	?	No
7	patriotism	Yes	?	No	32	teenage drivers	Yes	?	No
8	modern art	Yes	?	No	33	apartheid	Yes	?	No
9	self-denial	Yes	?	No	34	nudist camps	Yes	?	No
10	working mothers	Yes	?	No	35	church authority	Yes	?	No
11	horoscopes	Yes	?	No	36	disarmament	Yes	?	No
12	birth control	Yes	?	No	37	censorship	Yes	?	No
13	military drill	Yes	?	No	38	white lies	Yes	?	No
14	co-education	Yes	?	No	39	birching	Yes	?	No
15	Divine law	Yes	?	No	40	mixed marriage	Yes	?	No
16	socialism	Yes	?	No	41	strict rules	Yes	?	No
17	white superiority	Yes	?	No	42	jazz	Yes	?	No
18	cousin marriage	Yes	?	No	43	straitjackets	Yes	?	No
19	moral training	Yes	?	No	44	casual living	Yes	?	No
20	suicide	Yes	?	No	45	learning Latin	Yes	?	No
21	chaperons	Yes	?	No	46	divorce	Yes	?	No
22	legalized abortion	Yes	?	No	47	inborn conscience	Yes	?	No
23	empire-building	Yes	?	No	48	coloured immigration	Yes	?	No
24	student pranks	Yes	?	No	49	Bible truth	Yes	?	No
25	licensing laws	Yes	?	No	50	pyjama parties	Yes	?	No

Fig (15)

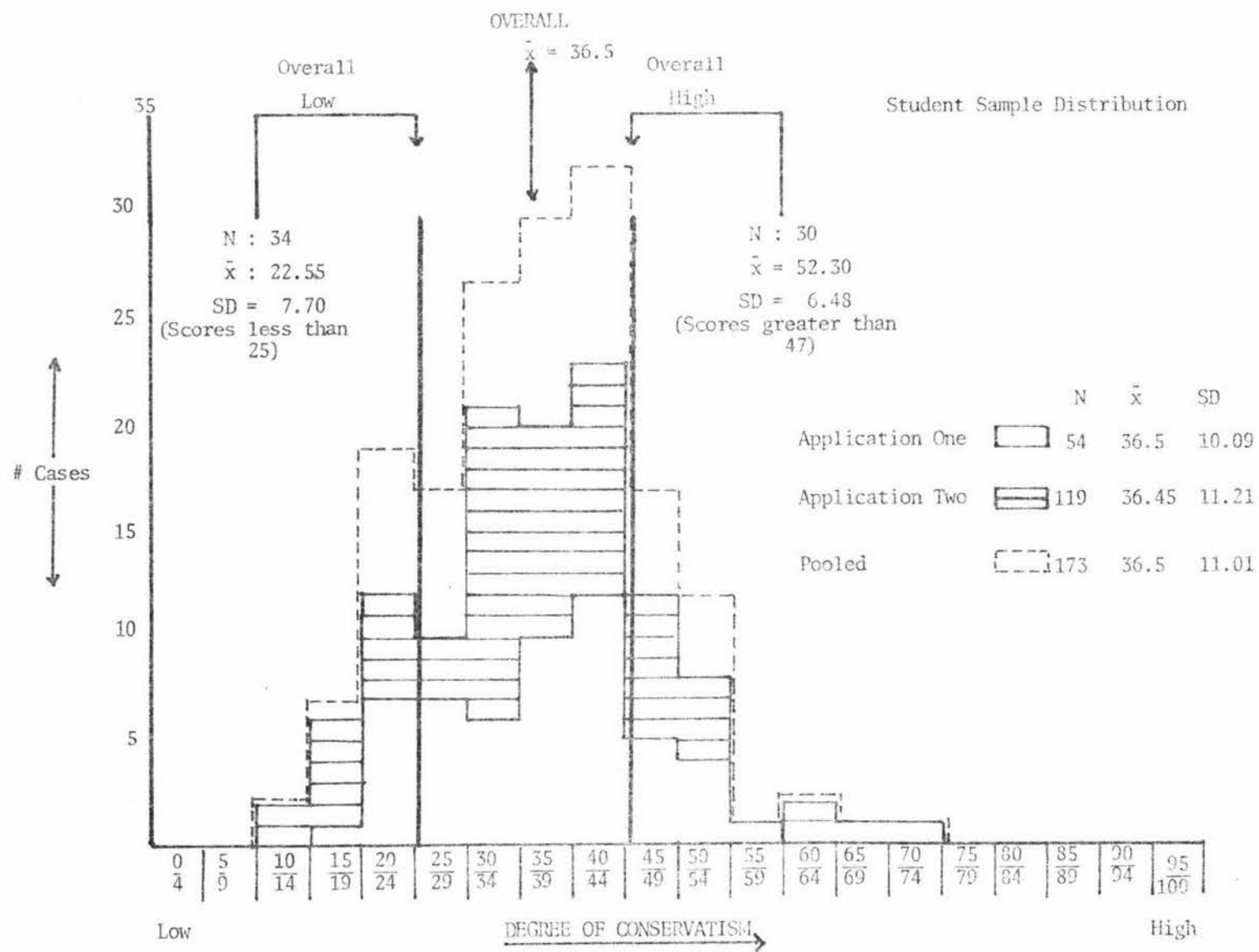
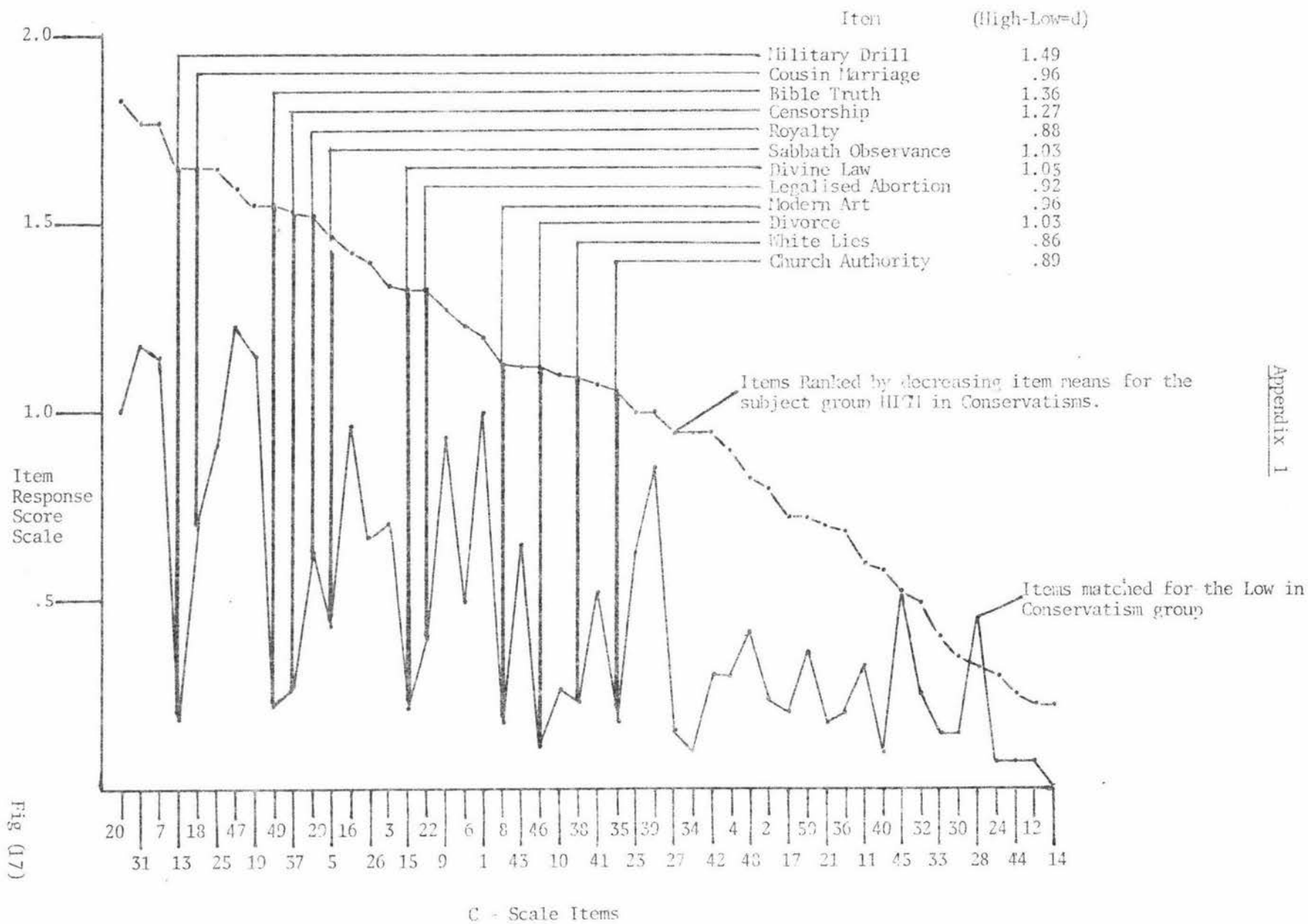


Fig (16)



Appendix 1

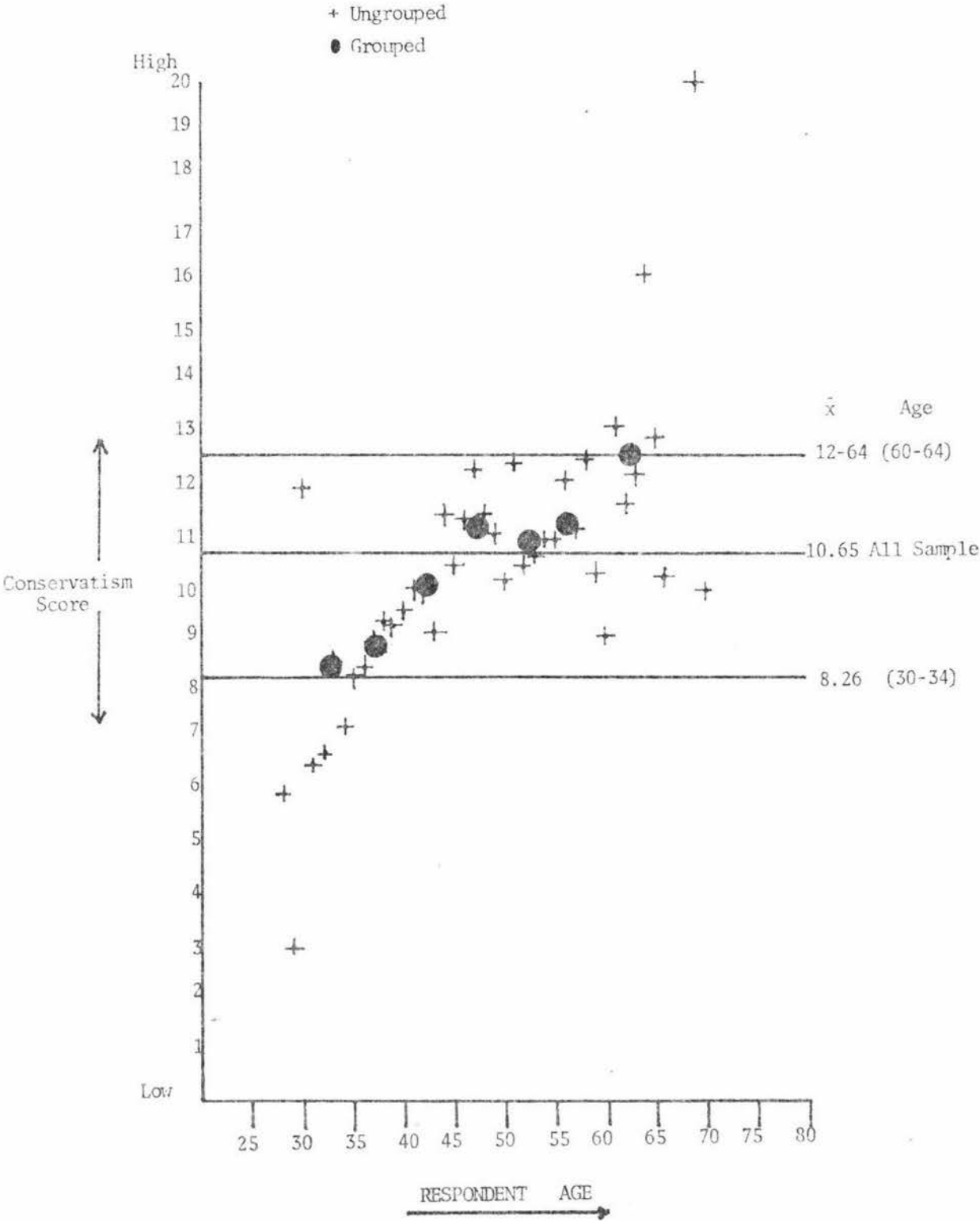
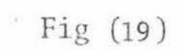


Fig (18)

C-Scale Adaptation



APPENDIX TWO

A STUDY OF CHANGE



N.Z. CHIEF EXECUTIVE SURVEY

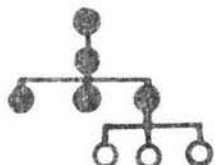
School of Business

Massey University

QUESTION 1 Chief Executive Data (Procedure: Tick ☒ or give (Years) where appropriate)

Age	[]	[]	Years
Sex	[]	Male	[] Female
Birth	[]	New Zealand	[] Other
Education: Primary	[]	[]	[]
Secondary	[]	[]	[]
All Post-Secondary	[]	[]	[] Years
Total years in Employment	[]	[]	[]
Years in self-employment (if any)	[]	[]	[]

Consider the diagram which shows four levels of responsibility for management in business organisations and indicate the number of years you have spent at each level.



Director	[]	[]	[]	[]
Chief Executive	[]	[]	[]	[] Years
Department Head	[]	[]	[]	[]
Below Department Head	[]	[]	[]	[]

Indicate those areas of a business firm in which you have had full Department Head or equivalent responsibility for its operation

	Department Head responsibility
Finance and Accounting	[] []
Marketing and Sales	[] [] Years
Production	[] []
Personnel	[] []
Central Administrative Services	[] []

If your life and career spans more than one country has any one country had a greater influence than the others in shaping your overall management attitudes?

Yes ☐ No ☐ If YES, specify

Not Applicable ☐

With respect to the company that you presently manage:

Are you? sole owner ☐ part owner ☐ non-owner ☐

Have you? a controlling interest Yes ☐ No ☐

(irrespective of the actual size of your shareholding).

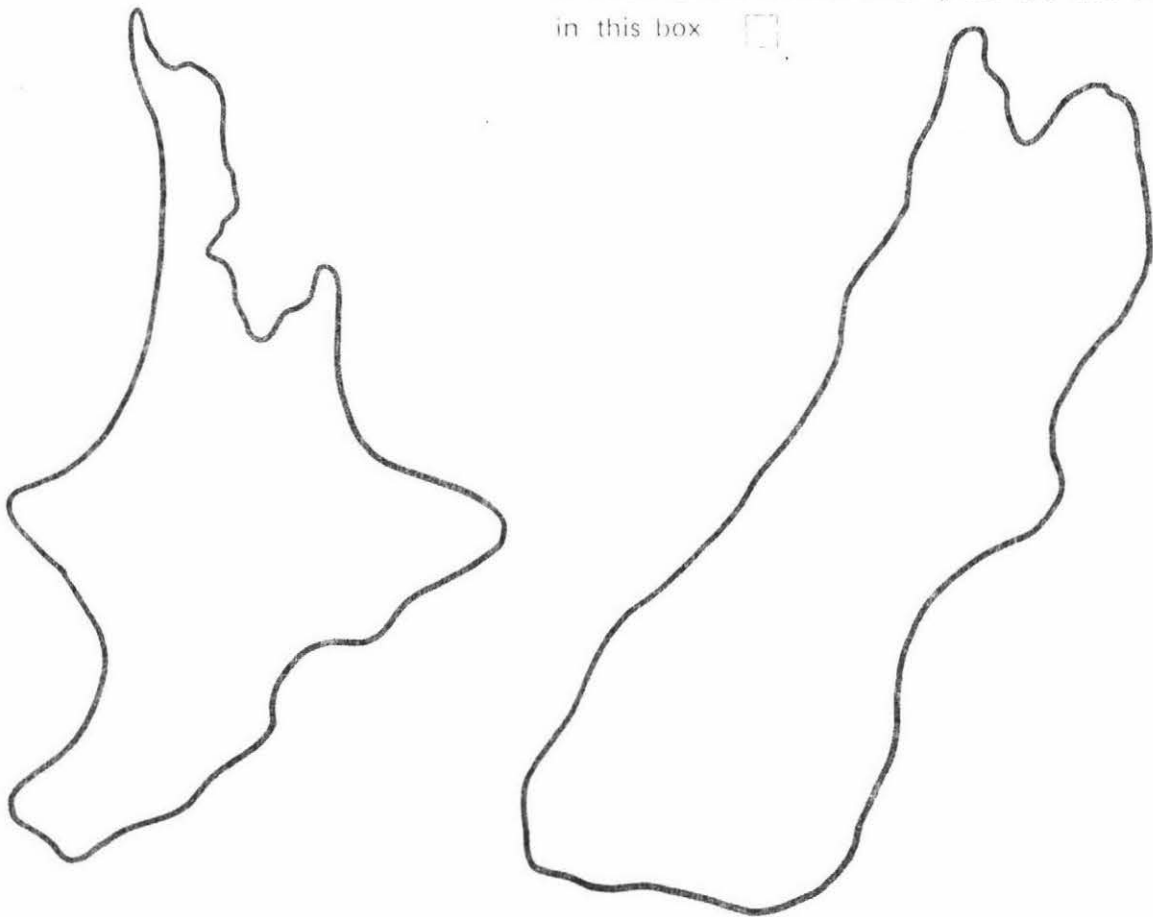
QUESTION 2

Company Data (Procedure: Tick ☒ or give (Numbers) where appropriate)

Nature of Company Private ☐ Public ☐
Number of Employees for all N.Z. number

Location of your company: (place a DOT (●) on the Map Insert that gives approximate physical location for your Head Office).

If Head Office outside N.Z. place the dot (●) in this box ☐



SHAREHOLDING:

		New Zealand	Overseas
Ownership:	wholly	☐	☐
	majority	☐	☐
Control:	wholly family	☐	☐
	majority family	☐	☐
	wholly non-family	☐	☐
Shareholders:	large number	☐	☐
	small number	☐	☐

OPERATION:

Manufacturing ☐ Wholesaling ☐ Retailing ☐ Servicing ☐

QUESTION 3

Competition may be thought of as the contest for a share of the market or markets between your own company and those you consider are rivals for the same position. With this in mind which of the following statements comes closest to describing the overall competitive attitudes of your company? Consider for both the short (up to five years) and the long term (beyond five years).

Procedure. Tick ☒ two Boxes only.

Statements of Competitive Attitude

(Type 1)

As a company we strive to gain and maintain the Number One Position, a clear majority share of the available markets.

Short Term ☐ Long Term ☐

(Type 2)

As a company we strive to gain or maintain a Major Share, but not necessarily the clear majority share of the available markets.

Short Term ☐ Long Term ☐

(Type 3)

As a company we strive to gain or maintain a sufficient share of the available markets that will satisfy our need to survive.

Short Term ☐ Long Term ☐

* clear majority share = 50% or more of available markets.

QUESTION 4

Consider the different market levels in which your company competes. Indicate your company's competitive attitude (as described in Question 3 by Number Type), for each of those levels that are relevant.

Procedure. Write the number of the Competitive Type in the space against the relevant levels that apply for your company. (1, 2, or 3 from previous question).

As a company our attitude towards competition in the following market(s) levels is best described by,

MARKET LEVELS	TYPE OF COMPETITIVENESS	
	Type No.	Not applicable
Regional Markets	[]	☐
National Markets	[]	☐
International Markets	[]	☐

QUESTION 5

Identify the following with respect to any competitors your company may have.

Procedure: Tick ☐ Boxes where applicable.

Can you identify any of the following as generally describing your company situation: There is / are

EITHER

1. A SINGLE AND MAIN competitor who,
- | | |
|---|--------------------------|
| threatens our companies immediate survival; | ☐ |
| could, and is very likely to threaten our company's survival in the foreseeable future; | ☐ |
| could, but for the foreseeable future does not threaten our company's survival; | ☐ |
| poses no real threat to survival now or in the foreseeable future. | ☐ |

AND/OR

2. A GROUP of MAIN competitors who,
- | | |
|---|--------------------------|
| threatens our companies immediate survival; | ☐ |
| could, and is very likely to threaten our company's survival in the foreseeable future; | ☐ |
| could, but for the foreseeable future does not threaten our company's survival; | ☐ |
| poses no real threat to survival now or in the foreseeable future. | ☐ |

OR

3. A RANGE of competitors with no clear individual competitor or group of competitors that,
- | | |
|---|--------------------------|
| threatens our companies immediate survival; | ☐ |
| could, and is very likely to threaten our company's survival in the foreseeable future; | ☐ |
| could, but for the foreseeable future does not threaten our company's survival; | ☐ |
| poses no real threat to survival now or in the foreseeable future. | ☐ |

OR

- | | |
|--|--------------------------|
| No Effective Competition whatsoever for NOW | ☐ |
| and/or | |
| No Effective Competition whatsoever for the FUTURE | ☐ |

OR

- | | |
|-------------------|--------------------------|
| None of the above | ☐ |
|-------------------|--------------------------|

QUESTION 6

Identify the following with respect to any competitors your company may have.

Procedure: Tick One Number on each scale that comes closest to your estimation or alternatively Tick ☐ One Box after each item scale.

Item 1

In terms of your company's overall competitive situation (Question 5) how much pressure is being exerted by your competitors on your company in its attempt to hold onto or reach its desired market share goal (Question 3).

Competitive Pressure	Very High				Average			Very Low	None	Unsure
	7	6	5	4	3	2	1	☐	☐	

Item 2

Do you anticipate that the level of competitive pressure indicated in Item 1 will, in the immediate future,

increase ☐ hold steady ☐ decrease ☐ unsure ☐

Item 3

In view of your estimation given in Item 1 above how would you rate your company's ability,

to survive	Very High				Average			Very Low	Unsure
(up to five years) Short term:	7	6	5	4	3	2	1	☐	
(beyond five years) Long term:	7	6	5	4	3	2	1	☐	
to achieve or hold onto its desired market goal									
(up to five years) Short Term:	7	6	5	4	3	2	1	☐	
(beyond five years) Long Term:	7	6	5	4	3	2	1	☐	

Item 4

If your company has a **SINGLE AND MAIN** competitor or a **GROUP of MAIN** competitors rate the influence that you feel the growth and development decisions of your company has over the same decisions of your competitors and vice versa.

	Very High				Average			Very Low	No effect	Unsure
Our influence over competitors	7	6	5	4	3	2	1	☐	☐	
Competitors influence over us	7	6	5	4	3	2	1	☐	☐	

QUESTION 7

Identify the following with respect to sources of company income.

Procedure: Tick ☒ Boxes where applicable.

Can you identify for your company:

Either,

1. **A SINGLE AND MAIN** source of Income whose loss,
presently threatens company survival; ☐
could, and is very likely to pose a threat in the
foreseeable future to company survival; ☐
could, but for the foreseeable future does not threaten
company survival; ☐
poses no real threat to company survival now or in the
foreseeable future. ☐

and/or

2. **A GROUP** of Income sources whose loss,
presently threatens company survival; ☐
could, and is very likely to pose a threat in the foreseeable
future to company survival; ☐
could, but for the foreseeable future does not threaten
company survival; ☐
poses no real threat to company survival now or in
the foreseeable future. ☐

or

3. **A RANGE** of Income sources with no major single source
or grouping of sources whose loss,
presently threatens company survival; ☐
could, and is very likely to pose a threat in the foreseeable
future to company survival; ☐
could, but for the foreseeable future does not threaten
company survival; ☐
poses no real threat to company survival now or in
the foreseeable future. ☐

With respect to overall expansion, diversification, retrenchment or reorganisation in the nature and levels of supply of your goods and services have you just completed, are you in the process of completing, or are you planning Major or Very Major commitments. *

Type of Commitment	MAJOR	No	Just completed	In the process	Firmly Planning
Expansion		☐	☐	☐	☐
Diversification		☐	☐	☐	☐
Retrenchment		☐	☐	☐	☐
Reorganisation		☐	☐	☐	☐

Type of Commitment	VERY MAJOR	MAJOR	MODERATE	MINOR	NO COMMITMENT
Expansion	☐	☐	☐	☐	☐
Diversification	☐	☐	☐	☐	☐
Retrenchment	☐	☐	☐	☐	☐
Reorganisation	☐	☐	☐	☐	☐

Very Major commitment is defined as more than a 50% expansion, cut-back or rearrangement of your production or service supply levels.

Indicate the market from which you gain the major share of earnings for your principle product, line or service and how stable you consider the future of such market to be.

[illegible]

Consider the performance of your company in terms of the items below, (Total turnover etc.); make an estimation of how your company's performance compares with that of those firms you regard as your competitors, (as defined by your answer to Question 5), for the New Zealand market only.

In the New Zealand market we occupy with respect to

		First					Last		Unsure
		Position		Middle		Position			
1.	Total turnover	7	6	5	4	3	2	1	☐
2.	% Share of Market	7	6	5	4	3	2	1	☐
3.	* Earnings per Share	7	6	5	4	3	2	1	☐
4.	Percentage profit of Shareholders funds	7	6	5	4	3	2	1	☐

With regard to (3) and (4) above indicate for both measures OR the One measure most familiar to you.

* : Defined at $\frac{\text{Nett Tax paid Profit} - (\text{preference dividends, if any})}{\text{Number of Ordinary Shares}}$

Consider the Human and Physical Resources listed below that may be employed in generating your principle source or sources of company income. For each Resource indicate where the Majority supply is located for the Past, Present and Future.

Majority Supply (the major %)

[illegible]

QUESTION 12

Consider the following factors and assess the extent to which they currently restrict your ability to expand and grow.

Procedure: Tick ☒ the number on the scale that best corresponds to your estimate for the relevant items only.

	Restriction on Growth						
	Very High			Average			Very Low
Lack of skilled personnel							
Management	7	6	5	4	3	2	1
Technical	7	6	5	4	3	2	1
Supervisory	7	6	5	4	3	2	1
Labour Difficulties							
Excessive Turnover	7	6	5	4	3	2	1
Training Difficulties	7	6	5	4	3	2	1
Problems of Motivation	7	6	5	4	3	2	1
Work attitude problems	7	6	5	4	3	2	1
Absenteeism	7	6	5	4	3	2	1
Shortage	7	6	5	4	3	2	1
Technology employed							
Inefficient	7	6	5	4	3	2	1
Obsolete	7	6	5	4	3	2	1
Environment controls							
Legal	7	6	5	4	3	2	1
Administrative	7	6	5	4	3	2	1
Financial constraints							
Availability of	7	6	5	4	3	2	1
Cost of	7	6	5	4	3	2	1

QUESTION 13

Consider each of the four following statements and indicate for each the degree to which it represents your company's normal policy.

Procedure: Tick ☒ the appropriate box(es) in one or more of the four statements.

STATEMENTS	OUR NORMAL COMPANY POLICY					
	on all occasions	on most occasions	on some occasions	on no occasions	unsure	not applicable
As a point of management practice we,						
(a) attempt to be the first to try to implement a promising but mainly unproven idea, technique or process;	☐	☐	☐	☐	☐	☐
(b) prefer to wait and adopt proven and established ideas, techniques or processes;	☐	☐	☐	☐	☐	☐
(c) concentrate our research and development on the creation and evolution of new processes, ideas and techniques;	☐	☐	☐	☐	☐	☐
(d) concentrate on the adaptation of established ideas, techniques or processes in other areas to our own area of operations.	☐	☐	☐	☐	☐	☐

QUESTION 14

Does your organisation have a policy, written or implied, to guide its responses to the innovations and changes introduced by its competitors

Procedure: Tick ☒ One Box.

NO	YES	
	Written	Implied
☐ Fully	☐	☐
☐ Partly	☐	☐

QUESTION 15

Consider the Size and Rate of Change that Now exists for each of the following factors relevant to your company organisation.

Procedure: Tick ☒ One Number for each Factor on the scale or the Box provided.

Estimated Rate of Change

FACTORS	Very High		Average				Very Low	Unsure
Production Technology	7	6	5	4	3	2	1	☐
Production Techniques & Processes	7	6	5	4	3	2	1	☐
Marketing Methods & Processes	7	6	5	4	3	2	1	☐
Management Methods & Processes	7	6	5	4	3	2	1	☐
Personnel (Growth & Development) methods and processes	7	6	5	4	3	2	1	☐

Estimated Quantity of Change

FACTORS	Very Large		Average				Very Small	Unsure
Production Technology	7	6	5	4	3	2	1	☐
Production Techniques & Processes	7	6	5	4	3	2	1	☐
Marketing Methods & Processes	7	6	5	4	3	2	1	☐
Management Methods & Processes	7	6	5	4	3	2	1	☐
Personnel (Growth & Development) methods and processes	7	6	5	4	3	2	1	☐

QUESTION 16

Consider each of the following human and economic conditions which may cause future disruption and effect New Zealand's ability to grow and develop economically. Give your estimation of the levels of future disruption each is likely to cause.

Procedure: For each of the nine factors Tick ☒ ONE number or the Box.

HUMAN AND ECONOMIC CONDITIONS	Future Disruption							Very Low	No Effect
	Very High			Medium					
Domestic minority problems of a racial and cultural kind.	7	6	5	4	3	2	1	☐	
The isolation of significant community groups (eg Youth, aged).	7	6	5	4	3	2	1	☐	
Difficulties in matching the supply of increased living standards to the demand.	7	6	5	4	3	2	1	☐	
The search for satisfying life-styles with increasing leisure and affluence.	7	6	5	4	3	2	1	☐	
The contest over the private or public ownership of economic resources.	7	6	5	4	3	2	1	☐	
The balancing of rights and duties between the individual and the state.	7	6	5	4	3	2	1	☐	
Shortfalls in political ability in coping with complex and sophisticated decision making.	7	6	5	4	3	2	1	☐	
The associated problems in moving from a production-centered economy to one in better balance with market demands.	7	6	5	4	3	2	1	☐	
The influence of external pressures on N.Z's ability to pursue its own national policies.	7	6	5	4	3	2	1	☐	

QUESTION 17

From the previous question select the three Human and Economic conditions that you consider have the most potential for disruption NOW and in the LONG TERM (5 years and beyond).

Procedure: Write the numbers of the selected conditions in the spaces provided in their order of seriousness.

	Now	Long Term
First most Serious	[]	[]
Second most Serious	[]	[]
Third most Serious	[]	[]

Consider the relationship between the private sector and government. Do you feel the direction and control by government will increase or decrease in the foreseeable future? Indicate what you believe SHOULD happen as opposed to what you believe WILL happen.

Government direction and control	Column 1 what should happen	Column 2 what will happen
Increase slowly	☐	☐
Increase rapidly	☐	☐
Decrease slowly	☐	☐
Decrease rapidly	☐	☐
No change from the present	☐	☐

Consider the executive or management 'philosophy' to which you belong – those executives who are most like yourself in personal goals, beliefs, activities, social standing, responsibilities etc.

Procedure: Tick ☒ ONE box for each statement.

[illegible]

QUESTION 20

For each of the four areas below indicate your company's recent and future activity.

Procedure: Tick ☒ the appropriate boxes.

Major recent or planned changes are occurring or will occur in the company associated with:

AREA		Recent	Planned	No Chan
1	Revising objectives, goals, new product or customer mixes, geographical expansion	☐	☐	☐
2	Production technology, work layouts, plant and equipment.	☐	☐	☐
3	Communication and decision making relationships, leadership styles.	☐	☐	☐
4	Personnel beliefs, values, attitudes, interpersonal relationships, group behaviour.	☐	☐	☐

Area No.

Does any one of the above areas of change stand out as being particularly important for your company?

☐

QUESTION 21

Stress and Tension may be present for Executives as a part of both their working environment and their private lives. Consider each of the possibilities in the Answer Space and indicate your own present conditions and what you anticipate the future holds.

Procedure: Tick ☒ the appropriate box for each factor.

STRESS AND TENSION		Very High	High	Average	Low	Very Low
(a) Present levels:						
	In the Work Environment	☐	☐	☐	☐	☐
	In the Outside-of-work Environment	☐	☐	☐	☐	☐
	Of a Physical kind	☐	☐	☐	☐	☐
	Of an Emotional kind	☐	☐	☐	☐	☐
(b) Estimated future success in coping with stress and tension						
	In the work Environment	☐	☐	☐	☐	☐
	In the Outside-of-work Environment	☐	☐	☐	☐	☐
	Of a Physical kind	☐	☐	☐	☐	☐
	Of an Emotional kind	☐	☐	☐	☐	☐

QUESTION 22

Do you make use of advisory services hired from outside your company organisation for full or part-time use in company operations? (Advisory services would cover both individuals or groups providing services such as accounting, legal, promotion and advertising, training and organisational development etc.).

Yes ☐ No ☐

If YES above then rate each of the following FACTORS for your Company.

Procedure: Tick ☐ One number for each item.

	Degree					
How dependent is your company on the services they provide?	Very Dependent			Average		Very Independent
	7	6	5	4	3	2
						1
How frequently do you make use of their services?	Very Frequent			Average		Very Infrequent
	7	6	5	4	3	2
						1
How important are their services to the survival of your company?	Very Important			Average		Very Unimportant
	7	6	5	4	3	2
						1
What is the quality of their overall contribution?	Very High			Average		Very Low
	7	6	5	4	3	2
						1
What is the success of their overall contribution measured in results?	Very High			Average		Very Low
	7	6	5	4	3	2
						1
What is your overall satisfaction with their contribution?	Very High			Average		Very Small
	7	6	5	4	3	2
						1

There are a number of management attitudes which some theorists say have an influence on behaviour. The following two questions are designed to collect information on some of these factors.

QUESTION 23

Which of the following do you favour or believe in?

Procedure: Tick '✓' 'Yes' or 'No'. If absolutely uncertain, Tick '?'. There are no right or wrong answers; give your first reaction. Please answer all items.

Censorship	Yes	?	No
Modern Art	Yes	?	No
Divine Law	Yes	?	No
Cousin Marriage	Yes	?	No
Birching	Yes	?	No
Military Drill	Yes	?	No
Legalised Abortion	Yes	?	No
Royalty	Yes	?	No
Coloured Immigration	Yes	?	No
Bible Truth	Yes	?	No

QUESTION 24

Consider each of the following and give your evaluation

Procedure: Tick ✓ 'One Number for each item.

Item 1

In attitudes **directly related** to the operation of your company organisation would you consider yourself to be:

Very Conservative		Average								Not at all Conservative	
10	9	8	7	6	5	4	3	2	1	0	

Item 2

In attitudes **not directly related** to the operation of your company organisation would you consider yourself to be:

Very Conservative		Average								Not at all Conservative	
10	9	8	7	6	5	4	3	2	1	0	

Item 3

In your **overall attitudes** would you consider yourself to be:

Very Conservative		Average								Not at all Conservative	
10	9	8	7	6	5	4	3	2	1	0	

THE CHIEF EXECUTIVE
AND ASPECTS OF CHANGE

R. W. SMITH

1978

MASSEY UNIVERSITY



1061370198