

kind of re-description of sociological ideas in formulaic ways. See for instance A. Stinchcombe. (1968), and J. S. Coleman (1964). A more recent instance from a somewhat different field is the use of graph theory in the analysis of technical and scientific change. See Callon et al. (1986).

- [2] Arguments for incorporation raised specifically from studies of entrepreneurs can be found in A. Kalleberg (1986).
- [3] See also Barth (1967) and Paine (1971).
- [4] One of the problems for the class determination account is to provide a theory of the acquisition of sociality which does not turn into a sub-variant of socialisation theory. In this respect, the social psychology (broadly construed) of class relations remains a somewhat under-developed field. Forays by those such as Foucault seem to have a surprisingly Durkheimian cast. C.f. M. Foucault. (1972).

PART TWO

THE SOCIAL AND THE CALCULATIVE

kind of re-description of sociological ideas in formulaic ways. See for instance A. Stinchcombe. (1968), and J. S. Coleman (1964). A more recent instance from a somewhat different field is the use of graph theory in the analysis of technical and scientific change. See Callon et al. (1986).

- [2] Arguments for incorporation raised specifically from studies of entrepreneurs can be found in A. Kalleberg (1986).
- [3] See also Barth (1967) and Paine (1971).
- [4] One of the problems for the class determination account is to provide a theory of the acquisition of sociality which does not turn into a sub-variant of socialisation theory. In this respect, the social psychology (broadly construed) of class relations remains a somewhat under-developed field. Forays by those such as Foucault seem to have a surprisingly Durkheimian cast. C.f. M. Foucault. (1972).

PART TWO

THE SOCIAL AND THE CALCULATIVE

kind of re-description of sociological ideas in formulaic ways. See for instance A. Stinchcombe. (1968), and J. S. Coleman (1964). A more recent instance from a somewhat different field is the use of graph theory in the analysis of technical and scientific change. See Callon et al. (1986).

- [2] Arguments for incorporation raised specifically from studies of entrepreneurs can be found in A. Kalleberg (1986).
- [3] See also Barth (1967) and Paine (1971).
- [4] One of the problems for the class determination account is to provide a theory of the acquisition of sociality which does not turn into a sub-variant of socialisation theory. In this respect, the social psychology (broadly construed) of class relations remains a somewhat under-developed field. Forays by those such as Foucault seem to have a surprisingly Durkheimian cast. C.f. M. Foucault. (1972).

PART TWO

THE SOCIAL AND THE CALCULATIVE

Introduction

One of the outcomes of the kinds of discussions and arguments we have reviewed in Part One is a reconsideration of the character of the economic actor in economic theory. In many ways, for economic theorising 'the economic actor' is taken to be a unitary concept. This is, of course, because of the application of a generalised ratiocinative psychology of calculation to matters of choice among preferences, etc. Actors in the market place, be they individuals shopping for the family or international conglomerates seeking to place contracts to supply are held to follow similar general patterns of rational action. That is, they seek to maximise utility. One could say that this conception of markets and their operation is a generalisation from street trading. Of course, while this idealisation is a theoretical postulate for economic theorising, economists know that as a matter of empirical fact, many if not most of the effective actors in the vast majority of markets are collective individuals in the sense that although they might be conceivable as unitary economic actors, they are in fact complex organisations. The extent to which once one recognises the endemic feature of this idealisation, one is forced to re-model notions of rational choice and so forth is, of course, a matter of deep dispute in economics.¹ It has also recently re-emerged in discussions of institutionalism in economic theorising.²

In the context of entrepreneurial activity, aspects of the entrepreneurial firm as a collectivity have been long known. They have been analysed in terms of the following classic sociological problems.

- (a) The routinization of entrepreneurial charisma and its incorporation within a hierarchy of office, responsibility and authority has been picked as one of the major problems of stabilisation for entrepreneurial firms. This depersonalising

of the entrepreneurial role has usually been studied either as a problem defined in the theoretical abstract or in relation to the organisational biographies of particular firms.³

- (b) The ethos of capital accounting, that is monetary calculation, which is taken to be the predominant grounds for action in entrepreneurial firms⁴ is seen to be reinforced by sets of bureaucratic structures associated with rational organisation. Hence, the primacy of the "profit motive" is taken as given. What is rarely looked at is just how profit and profitability are actually perceived and defined.
- (c) The interpenetration of the economy and the state is seen to determine the character of what might be called the rhetoric of business life. Legal and political forms of legitimisation are offered as underpinning the primacy of the profit motive.⁵ The evidence which is cited, however, very rarely bears upon the relationships between the legal and business based explanations and justifications which actual businessmen offer for the lines of action they undertake.

In this second section of this book, we will try to show how the materials we have collected bear upon some of these issues. Through the analysis of particular cases and instances, we will try to show how these general issues appear when they are confronted at the level of the daily routines of people working within a changing entrepreneurial firm. Because this approach begins with the experience of individuals in their daily lives, we have described it as "bottom-up" to contrast it with the more usual "top-down" one associated with conventional sociological approaches.⁶ Because it begins with individuals and how they orient to the organisation of activities and people around them, it is also egological.⁷

The Egological Approach

The value of the egological approach is that it places "the actor's point of view" at the centre of analysis. But just what does this imply and what is to be gained from starting in this way? There are several inter-connecting themes here which need to be brought out. To begin with, the point is not merely to affirm that explanations of activities have to take the fact that the actor has a point of view into account. Were it to be just that, the "actor's point of view" could be summarised as a set of pre-determined norms and value orientations and then treated as merely another explanatory variable.⁸ It is rather that the sociological task is to describe the actor's point of view. We do not start with the fact of subjectivity, but from its depiction.

Why? The interconnection and segregation of what we called forms of rationality is not something which we wish to presume. It is, rather, something which we wish to describe and analyse. But such interconnection and segregation can only be explored by looking at the ways that economic actors, people in daily business life, show that they seek to subjugate managerial rationales, say, to the profit motive, or identify the one with the other. When, where, and how, for them, does calculability enter into decision making? How do they determine the requirements of calculation and how do they achieve the successful practical

application of calculative procedures?

This, of course, raises a deep methodological question, one of which many have failed to see the significance. Sociological descriptions, like all theoretical accounts, are thematically constructed. They are, we might say, third person accounts thematised in various ways. The methodological question at issue here is simply (but crucially) that of providing a third person description of first person experience; what we once called a third person phenomenology. (Anderson et al. 1985). This does not mean (and this is the fallacy which many critics⁹ fall into) the incorporation of first person experience into sociological depictions. It means, rather, the re-constitution of that experience as the transcendental phenomenon it is. We are not concerned with particular people's experience, but with the organisation of experience as that is encountered in the social world as readily available, known and shared schemes of interpretation. We propose to analyse these aspects of consociation, that is the sharing of social experience. The character which this consociation takes is, of course, a reflection of the environment in which it occurs. Our interest is in the experience of consociation in the transforming entrepreneurial firm.

Consociation refers to our involvement in the social world. It is a particular kind of involvement or "gearing into" as Gurwitsch (1979) calls it. We can most readily appreciate what is being designated here if first we contrast it with the separation which is involved when we reflect upon or theorise about the natural and social worlds around us.

We have circumscribed the realm of "living in...." and contrasted it with the sphere of the cogitative attitude. Distance and freedom vis a vis objects are constitutive for the latter - objects to which the cogitatio is always directed. In the realm of "living in...." there is no freedom and distance from the situation in which we simply live. We do not stand over against this situation; we are rather incorporated into it, attached to it and we gear into it. I am furnishing, for example, my room, and am going to pound a nail in the wall; yet I do not stand over against the walls, the nails, the hammer, the pictures I am going to hang, and so forth; nor do I objectivate all of this in different modes of the cogitatio. I live instead "in the hammering," that is to say, within this specific situation which, in its terms, is classified within a whole course of events ("furnishing the room") and appears as a moment of the whole situation with respect to it.....(Gurwitch 1979, p. 77)

Consociation is the form which gearing into the social world takes. Because this world is an intersubjective one, others are "co-included" in the situations in which the actor finds himself. Maurice Natanson has described the character of this co-inclusion as forms of anonymity.

"Anonymity" refers primarily (but not exclusively) to the typified structures of the "objective" aspect of the social world, that is, to the social world viewed as an interlocking complex of meanings which enable any actor to manage his affairs in the world of working and to find his way in other provinces of meaning. (Natanson 1986,

To post a letter (to use the example Natanson following Schutz uses), it is only necessary to follow a certain recipe - writing an address clearly, adding an appropriate stamp, putting the letter in a pillar box. It is not necessary to understand all the intricacies of the postal system.

If the letter reaches the addressee in a reasonable time, that is all that is wanted. The details of the postal service are typified into "what they do with the mail", and the particular individuals who are involved with the mail are and remain almost entirely anonymous. (ibid, p.21)

Here, of course, the others that are co-included in our gearing into the situation of posting a letter remain simply as anonymous instances of types. In other situations our gearing in takes account of an involves the typicalities of particular individuals. Thus involvement in the social world requires location at a point on a range from the anonymous to the familiar and with it through the typifications associated with that location, schemes of interpretation, ways of seeing and understanding what is going on around us.

Schemes of interpretation as orienting devices

Possibly the best known exposition of the use of schemes of reference as orienting devices, certainly within the field of the sociology of organisational behaviour, is that of Egon Bittner (1974). In his analysis, Bittner argues that sociology's third person descriptions are premised in and make unacknowledged use of the concepts and schemes of interpretation which ordinary members of a culture have and use in going about their daily business. The idea, for instance, that the organisation of activities in a locale might be depicted by comparison to a formally constructed rational scheme, or the distinction between formal and informal organisation of activities, are both sociological and what he terms common sense notions. Both have their place in working theories of how the activities in a setting may be correlated. But, while these concepts may be common to both sets of accounts, sociology's second-order or "theorised" interpretations make no mention of the common sense first order ones. Were they to do so, Bittner suggests, then it would become readily apparent that those working in organisations routinely make sense of their own and other's activities in numerous ways. Some of these make use of a formal scheme, a concept of organisation, to locate activities. Further, if we look to see what uses the scheme of interpretation or account is put, these too will be variegated. He suggests, as an initial summary, that three are relatively obvious. They are the concept of organisation may be used as a **gambit of compliance**; as a device for **achieving stylistic unity**; and as a means of obtaining **corroborative reference**.

To see what Bittner has in mind here, we have first to understand the analytic backdrop against which it developed. This is a general approach associated with Harold Garfinkel (1967) to what in Chapter 3 we identified as sociology's essential pre-occupation, namely the alignment of frameworks of meaning. The problem of order as conceived by sociology is the problem of ensuring, in a theory, that such frameworks can be aligned. For Garfinkel, what the problem of social order appears as a problem of providing for the possibility that ordinary activities can be found to display an orderliness, that is a continuity, a predictability, a matter of factness, for those who are engaged in them. What precisely that orderliness might

be is the outcome the particular methods which those in that setting use to collect together, thematise, or construct the orderliness. The orderliness which some set of activities has for them, then, is their accomplishment and the achievement of their methods. Garfinkel (1956) applies the same line of thinking to sociological constructions of the orderliness which activities display.

..the term "an organization" is an abbreviation of the full term "an organization of social actions". The term "organization" does not itself designate a palpable phenomenon. It refers instead to related sets of ideas that a sociologist invokes to aid him in collecting his thought about ways in which patterns of social action are related. (Garfinkel 1956, p. 181)

One of the consequences of Garfinkel's approach is to put sociological and common sense depictions of activities on the same footing. Furthermore, once we approach them in this way, it becomes more and more apparent that common sense accounts underpin sociological ones. That is to say, sociology's theoretical descriptions have their grounds in the lifeworld and the commonsense theories to be found there.¹⁰ Bittner's analysis of the concept of organisation is a demonstration of how the sociological use of of the rational scheme as a summary of activities depends upon a number of commonsense uses of the self same notion. He describes how ordinary actors within organisations describe their activities in terms of a formal scheme in the ways which we summarised above.

In his account of these uses, Bittner summarises them as follows. To begin with, the formal scheme of organisation as a gambit of compliance.

When we consider the set of highly schematic rules subsumed under the concept of rational organization, we can readily see an open realm of free play for relating an infinite variety of performances to rules as responses to those rules. In this field of games of representation and interpretation, the rules may have the significance of informing the competent person about the proper form for doing things that could probably never be divined from considering the rule in its verbal form. Extending to the rule the respect of compliance, while finding in the rule the means for doing whatever needs to be done, is the gambit that characterises organisational acumen. (Bittner 1974, p 78)

Second, organisation as a model of stylistic unity. In many ways this is the most straightforward of the notions which Bittner offers since it mirrors almost exactly one of the standard uses which economists and sociologists give to the concept.

We are suggesting the possibility of a principle of discipline that derives from the formal style of the rational scheme and which works against centrifugal forces and heterogeneity. The resulting coherence will be in evidence as outwardly proper conduct and appearance. (ibid, p.78)

The third notion, organisation as corroborative reference reflects another equally standard use.

When from the perspective of a fragmentary involvement the actual contingent outcome of one's work cannot be appraised, or appears senseless, then it can be understood and judged in terms of its overall functional significance by invoking the formal scheme. For example, mismanagement and waste could be defined as merely accidental or perhaps even justified, relative to the total economy of the enterprise. This consideration of the formal scheme not only persuades the participants of some correct or corrected value of their duties, but can also be used as a potent resource for enforcing prohibitions when interest dictates that such prohibitions should be justified. (ibid, p. 79)

In all three cases, what Bitner is drawing out is the use of the formal scheme of organisation as a global summation - an overall structure of activities. By locating specific ones within an organised environment of activities, the rational character of both individual activities and the scheme as a whole is made visible.

In the studies which we present in this Section, we focus on two different but closely related schemes of interpretation which are used by those working in LTC. These schemes provide a socially available resource, a body of "common sense knowledge" which anyone who works in the business knows, can call upon and orient to. We have selected these three to present here first because just like the concept of organisation they bear upon what have been central and abiding themes of sociological studies of the evolution of organisations; and second because they display the complex interweaving of calculation and social organisation. That, it will be remembered, was what we suggested might be an interesting and novel point of departure for analysis of economic activities.

NOTES

- [1] See Arrow (1974), Kahnemann et al. (1982), Klant (1974), Klein (1983) and Mackkrimon and Wehrung (1985).
- [2] Cf the discussion in *Journal of Economic Issues* vol. 21, no. 3 Sept 1987.
- [3] Samples of this kind of work can be found in R. Kantor (1983), Kets de Vries (1985), W. Paulin et al. (1982), D.J. Storey (1982), A. Calvin et al. (1982), R. Hébert and A. Link (1984), J. Ronen (1985), E. Chell (1986).
- [4] C.f. M. Weber (1978). A good review of Weber's argument is to be found in R. Brubaker (1984). A somewhat different account is found in L. von Mises (1963).
- [5] See F. Bechoffer & B. Elliot (1986) for an introduction and review of the relevant literature.
- [6] A quick reminder is probably worth making here. This is a methodological and not an explanatory distinction. That is, we are proposing to be agnostic with regard to locus

of explanatory force in sociological accounts. All we are proposing is that studies could be mounted which begin in the lifeworld of ordinary members of the society. It will be soon enough to determine what the explanatory outcomes might be when we have a body of findings or materials provided by such studies.

- [7] The possibilities inherent in this approach have been surveyed in A. Schutz and T. Luckman (1974).
- [8] All of which is to say simply that socialisation contributes (somehow) to entrepreneurial success. This may be true but trivially so. Cf A. Khan. (1986).
- [9] A very good instance of just this misconception is Mary F. Rogers. *Ethnomethodology, Phenomenology and Experience*. London. Cambridge. 1983.
- [10] This is simply another instance of the proposal discussed with regard to Galilean Science in Chapter 3.

4. Management rationalities

Introduction

We begin with what is a classical theme in sociology which has been given a distinctive cast in studies of economic organisations, namely the institutionalisation of innovation. Even a quick browse through the entrepreneurial literature is likely to reveal the importance of two strands: first, the mythology of the entrepreneur as a self-made man, or these days, woman; and second the stereotype of entrepreneurs as difficult people to work for and with. These two themes are often conjoined in a third. This is the repeated observation concerning the fragility of entrepreneurial success and its resistance to being incorporated within large scale 'bureaucratic' structures. Here for example is a comment made by one successful entrepreneur.

The entrepreneur who starts his own business generally does so because he is a difficult employee. He does not take kindly to suggestions or orders from other people and aspires most of all to run his own shop.....His idiosyncracies do not hurt anybody so long as the business is small, but once the business gets larger, requiring the support and active co-operation of more people, he is at risk if he does not change his approach. It has been correctly stated that the biggest burden a growing company faces is having a full-blooded entrepreneur as its owner. (D. du Toit quoted in Kets de Vries 1985, p. 160)

The reasons for this are felt to stem from the peculiarities of the entrepreneurial personality (Chell 1986). They seem to be precisely those characteristics which militate against the collegial forms of management necessary for the successful operation of large scale

enterprises. As Kets de Vries summarises them

Entrepreneurs seem to be achievement oriented, like to take responsibility for decisions and dislike repetitive routine work. Creative entrepreneurs possess high levels of energy and great degrees of perseverance and imagination, which, combined with willingness to take moderate, calculated risks enable them to transform what often began as a very simple, ill-defined idea into something concrete. Entrepreneurs can also instill highly contagious enthusiasm in an organisation. They convey a sense of purpose and, by doing so, convince others that they are where the action is. Whatever it is - seductiveness, gamesmanship, or charisma - entrepreneurs know how to lead an organisation and give it momentum.

Along with their mystique, however, entrepreneurs may have personality quirks that make them hard people to work with. For example, their bias towards action, which makes them act rather thoughtlessly, sometimes can have dire consequences for the organisation. Moreover, some entrepreneurs I have known have had great difficulty in taking direction. (Kets de Vries 1985, pp. 160-167)

As we say, in the conventional wisdom of business administration, this combination of aggressive self assertion and motivation is held to threaten the survival of the entrepreneurial firm after it has "taken off" in the market place. The reason for this appears to be quite obvious. Considered as a type for managing economic activities - as Kets de Vries summarises it, say - the entrepreneur does not fit the pattern of role requirements, the 'organisation man', more usually associated with large scale and hence mostly bureaucratic structures. The rationality of profit orientation couched in terms of the calculability of outcomes runs up against managerial rationalities associated with the operation of the organisation. Calculation and organisation pull in different directions. As many commentators have suggested, unless the entrepreneur, or those who acquire his business, are able to adapt to an increasingly managerial context and develop a flexible organisational structure fairly rapidly, the fertility, energy and vitality which gave the entrepreneur his original success can soon dissipate.

As we have discussed it so far, the problem has been defined as one expressing a theoretical contradiction. That is, it is a problem which is specifiable because of the theoretical conceptualisations of, on the one hand, the entrepreneurial firm and on the other the large scale enterprise. The one is organised around the personal insight, motivations, force and drive, *charisma* to use the term offered by Kets de Vries, of the founder. The other is organised around patterns of structurally defined sets of role relations, be they hierarchical, matrix, network or organic in form. Turning the success of entrepreneurial flair into permanent profitability is a problem given by the theory since the transformation from one to the other form of organisation is held, in the theory, to be inevitable and necessary if success is to be maintained. It is generally introduced as what we might call the routinisation of entrepreneurial charisma' and is characterised, more often than not, as the successful depersonalisation of "the entrepreneurial eye".² The problem is constituted out of the contradiction of two theoretical types, 'the self made entrepreneurial business' which places an emphasis on personal qualities and insight, and 'the administratively structured enterprise' which is

felt to be more conscious of and concerned with administrative efficiency. The contrast provides a way of glossing organisational histories so that particular cases and events can be instanced as part of a general process. The types are used to indicate stages or forms through which the evolving Company must pass (Petigrew 1985, Lawrence 1985 and McKelvey 1982).

The whole issue, though, could be formulated in an entirely different way. This would be in terms of a view of the structure of social relations within the evolving firm and attempts made to locate the entrepreneurial function at a specific level of managerial functioning rather than with the idiosyncracies of individuals. To those working within a business, the routinisation of entrepreneurial charisma appears as a problem of organising and maintaining stable, non-personalised patterns of working practices. That is to say, it is a problem defined by the need to achieve consistency of decision making outcomes, continuity of treatment of cases, and proceduralisation of administrative practices. It is encountered day in day out within the flow of organisation life, as the specification of the grounds of effective organisation action and its justification. In other words, at the level of day to day administration of the firm, during the transition from the entrepreneurial business, pure and simple, towards the large scale firm, what management involves as a scheme of interpretation for grounding one's actions and interpreting those of others (that is, as a designation of typical ways of acting), is something which is subject to constant review. In that sense, what management involves is defined commonsensically for actors. It is a construct which while located in Sociology's and Administrative Science's theorising, is also deployed in the day to day affairs of the firm as a global summation for all kinds of actions and strategies encountered in numerous contexts of justification, interpretation and explication. Our interest in this chapter is in exploring these.

In the theoretical literature, management is used to designate both a set of functions (the organisation of activities) and the personnel who carry them out. It is thus tied to other theoretically defined concepts such as the division of labour, organisational rationales, hierarchies of power, responsibility and supervision, and so forth. If its requirements are to become unproblematic for daily organisational life, this can only be done as an outcome of management's project. That is, as the outcome and as part of activities carried out within the flow of ordinary working life. The routinisation of charisma and with it depersonalisation of administration and control, is not achieved and then the firm organised and administered differently. Achieving a different form of organisation and administration is the routinisation of charisma. At the level of senior executives, management is used to circumscribe not just what they do, but what demands are made of them, what responsibilities they have and the rights they feel they can exercise. Obviously, in the context of an entrepreneurial firm in transition from being a one man business to a large scale enterprise, the character and distribution of the activities, expectations and values may well be evolving, indefinite and contestable.

At LTC, these issues were shaped by the specifics of the local organisational environment. This environment is one still heavily dominated by Lawrence Hunt. Thus the issue of depersonalisation was, in effect, nearly always couched as one of how much Lawrence had to be told, how far he had to agree with everything that was going on, in what areas was discretion allowed, what was it thought he would expect, and so on. This environment provides a normative order within which actions are located and a series of responses to that

order shaped by the processes of transformation we have outlined.

In the rest of this chapter we will explore how management of LTC involves the definition, description and resolution of tensions and conflicts consequent upon the necessity to routinise Lawrence's entrepreneurial charisma. What we will be describing are the lineaments of 'commonsense management at LTC' at this point in its development. What any manager at LTC has to know, learn, and is made aware of, in order to 'see what is going on' and 'how to get things done' in the firm. Such conflicts and tensions are thematised by those involved in the business as the practical problems of working with people like Lawrence in a company like LTC. Elsewhere things would be different. As a commonsense construct at LTC, management is praxeological in its application.

Management as a transformation of role identities

Part of the transition which we have been discussing, involves an awareness of changes in the ways in which individuals are perceived and related to. In the case of the entrepreneur, from being both the controller, "the boss", and at the same time day to day colleague of most people, he becomes a distant figure, the Chairman of the Company, the Managing Director, one of a chain of supervision and authority. This can be quite difficult to accomplish, particularly if, as at LTC, the processes bringing about this re-orientation are in fact resisted by some the personnel most closely involved. While the transition is taking place, people working within the company may have to orient to a number of role identities at once, juggling with them and locating their activities and those of others within multiple frames of meaning which ground the identities in play at any one time. Take Sandy Green, for instance. As the Company has grown larger, she has taken over responsibility for two distinct spheres, COUNTRY KITCHENS and financial administration. In that sense, these are "her" parts of the Company. However, as we shall see in detail in a moment it is true for all parts of the Company, Lawrence takes a proprietorial attitude to everything, and her awareness of this is constantly at the horizon of her consciousness. She never forgets that he is "the boss" and that, as he once said, it is his Company and he can do what he likes with it. In fact, he once used almost exactly those words when she objected to his re-organising the work of one of her staff without consulting her. But, it would be unwise to see this awareness as some kind of expression of repression or domination. There is an imbalance in power, to be sure, but it is an imbalance which is worked out in very particular ways.

Look, for example at the proposal that since Lawrence is the boss, he is in control. He takes major decisions, he controls initiatives and resources, he hires and fires senior staff. This dominance might appear indubitable, until one asks about the day to day running of the Company. At the level of mundane activity, no-one is in control, since it is not a matter of exercising control, just as no-one is doing the administration and co-ordination, since no-one person is charged with or could do those functions either. Control, administration, co-ordination are achieved within the course of daily activities in running the business. Certainly, Lawrence does make major decisions; certainly, he can refuse to allow some lines of action to take place. But at the level at which most people experience company life, in the fetching and carrying of files and reports, in the picking up of decisions and implementing

them, in the allocation of staff to functions, buying supplies and paying invoices, selling food and dealing with customers, Lawrence is as dependent upon them as they are on him. Whether he likes it or not, LTC is now an extensive organisation, and Lawrence could not do everything. Thus, to change the image a little, and use one which Giles Davies once used in describing his relationship to Lawrence, Lawrence may own the ball and so be able to decide which game they play, but he can only do so in so far as, for whatever reasons, they are prepared to play with him. If they were not, then he would have to do all the fetching and carrying himself.

This interplay of lines of reciprocal dependence emerges in daily working life in schemes of interpretation by which people orient to the role identities ascribed to both themselves and others: who, at that moment in that context, they are. Thus, again to use Sandy as an example, during many meetings she has performed the social role of colleague, employee, friend, organiser, with no apparent difficulty, while Lawrence moved through the gamut of colleague, boss, friend and ally, each organised with similar ease. Indeed, so rare were the occasions when they were out of tune with one another that they were specifically noticeable and made accountable. For instance, when Sandy expressed a need for a highly experienced assistant, Lawrence's intransigence led to Sandy leaving the room in tears. Lawrence and Giles put it down to her being just a bit "emotional" about these things, and Lawrence later apologised. Sandy explained it, again in terms of her being "emotional", but also in terms of the difficulty of dealing with Lawrence. "When he is like that he tends to become unreasonable."

A second way of viewing this notion of management as the transformation of identities is through the teasing which goes on at Lawrence's expense. At LTC everyone teases Lawrence. That is, Lawrence's well known foibles: his obsessiveness with detail; his pre-occupation with profits and costs; his tendency to drive somewhat recklessly; the reluctance to take decisions, are all the subject of teasing comment by members of staff, both to his face and "behind his back". Lawrence is the butt of these jokes and this teasing and only now and again does it ever seem to rile him. Then, of course, for a short while at least, it stops. The rest of the time, though, he accepts it as it was meant; an affectionate reminder that, at times, he can be more than a little difficult to work for. Here is an example of what we mean.

Part of the formalising of office routines involved getting all the staff to compile a job description of their work. These were then to be put on file so that if anyone left, a job advert could be put together reasonably quickly. Gill, Lawrence's secretary, compiled and circulated her job description and its "shadow". The one is an explication of what the other means. She circulated it so other people could offer their amendments and contributions, several of which were added. It was also circulated as a way of bringing it to Lawrence's notice without having to give it to him, since other people were bound to comment on it. Not surprisingly, it was Sandy who first mentioned it to Lawrence. Gill had given her a copy. In that sense, then, Gill's "shadow job description" was not a challenge to Lawrence but 'a bit of fun' in which he could join simply by laughing at Gill's version of himself.

The way in which this was managed, says a great deal about the way that role identities are managed in the firm. It was done indirectly in that the circulation of the description was carried on without telling Lawrence, and Gill left it up to one of the Directors (it could only be Sandy or Giles) to tell Lawrence about it. And, of course, given that it had to do with

Lawrence's working practices it was always likely to be Sandy. Further, she is on the chatting network of the office staff in a way that Giles is not and could not be. There was, therefore, an institutionally available device by which the teasing could be made. For Gill had simply put it together and then just handed it to Lawrence, or leave it around for him to see, would have been to fail to make the point. It was an public ribbing and reminder, and was taken as such by Lawrence. He thought it was funny, too.

Management as a Normative Order

Once in a discussion of sales strategy, and in particular the best method by which LTC should promote its public image, Lawrence reminded Giles, Sandy and Colin Dunbar that cost effectiveness should always be paramount. "Image is fine," he said, "As long as it doesn't cost us money." One could hardly find a better summation of the ethos to which Lawrence ascribes in business life nor a dimension along which that general attitude serves to generate tensions within the Company. The expectation which Lawrence has attempted to enshrine in all aspects of LTC's activities, that costs should be minimised and expenditure tightly controlled, has contributed towards a particular way of defining and evaluating lines of action, what earlier we called a scheme of interpretation, which at times seems to be at odds with what might be seen as the requirements for running a large scale operation. As the Company moves towards a more diversified structure, the normative order to which Lawrence subscribes appears to those around him more and more to create problems for them.

At this point, we want to introduce an analytic device. In the discussion which follows, we will talk of Lawrence and how other's see him and his attitudes. To emphasise the socially constructed character of this body of beliefs, attitudes, norms and values (what we have called a scheme of interpretation) we will enclose all such references in brackets {}. The point of this is to draw attention to our analytic suspension of any judgement on the 'truth', 'veracity', 'soundness' or 'reasonableness' of these ascriptions. {Lawrence} is a social construction, a cultural object.³

The orientation towards the tension we have discussed is made visible in a number of ways. By and large, they all involve an orientation towards Lawrence's position in the firm, and hence to {Lawrence} himself as a scenic feature of the organisational landscape. One dimension, perhaps the predominant one, is the ascription to {Lawrence} of a rationale for business activities which puts a primacy upon profit and hence with strict commercial instrumentality. He is associated with attitudes which encapsulate the orientation of the one man entrepreneurial business. Sandy, for instance, has often accused Lawrence of thinking that running LTC was "no different to selling ladies knickers from a barrow in the market". And, in the way that he feels he necessarily has to be personally involved in the pricing of contracts, selection of suppliers, and reduction of costs, it is no surprise that many people describe {Lawrence} in terms resonant of the huckster.

One incident in particular makes this point. When one particular outlet (the Spectrum Centre at Richmond, c.f. Chapter 6 for a full discussion of this) was under threat, it was discovered during an audit check that they had great deal of surplus stock which they would never sell. The obvious thing to do was to move it to another centre. As a consequence, Lawrence had the stock moved to Telford prior to being distributed elsewhere. It was brought

in by Mike Santo late one evening as he was on his way South and discovered by the office staff early the following morning. For the next three or four days while the cartons of crisps, sweets and chocolates sat on the stairways in Telford, the story circulated that {Lawrence} intended to sell them on the following Saturday morning in the local market. While no-one actually believed that he would, they all went around saying that they would not be surprised if {he} did.

This conception of what it is thought {Lawrence} embodies and requires, is used as a scheme of interpretation both inside and outside the Company. Colin Dunbar and Giles Davies think of it as the Company's "cowboy" image. That is to say, from the way that the Company is seen to deal with others, LTC appears to put ensuring profits above all else. However it is not merely that profits are what are sought, but the concomitant impression that profits are all that is wanted, which is being referred to. A commitment to the primacy of profit making would, of course, be endorsed by both Giles and Colin. Without profits the business would not survive. And everyone wants it to survive, if only for the sake of their own livelihoods. But, the tensions which we have mentioned emerge not because of the necessity for obtaining profit, but the perceived expectation concerning the style, the manner in which they are to be achieved. Here the executive as huckster associated with {Lawrence} is out of kilter with the executive as manager.

A second dimension along which this particular tension is made visible is the degree to which Sandy, Giles and Colin orient to {Lawrence} and take their leads from {him}, while {Lawrence} himself is seen as much more autonomous. What we are pointing to is a series of reciprocated expectations with regard to what can be expected of others and what they can expect of you, as well as what it can be expected you will provide for them. As a normative structure, this is very strongly tied to the different value and ethical orientations which all the executives display in their activities. {Lawrence}, for instance, wants to run a successful business, and measures {his} success in terms of profitability, market share, improved performance on a series of given indicators. From the point of view of those who work for {him}, {he} appears to give little weight to what others think, either of {him} or of the way {he} runs the Company. As long as {he} thinks {he} is successful, it seems, that is all that counts. Sandy and Giles, too, are achievers. They too are concerned with profit. But, from the way in which {they} approach problems, difficulties and dealings with others, {they} look as if personal evaluation involves a responsiveness to what others think of you. At one level, this is just a matter of managerial style. But the managerial style which is attributed to a manager is part of the scheme of interpretation through which that manager's actions will be interpreted and understood. Thus, if there appears on the one hand to be a powerful thrust towards rational calculation pure and simple in all dealings with others, both inside and outside the Company, this might well be perceived as being antipathetic towards managerial styles premised on more administrative criteria. Furthermore, these antipathies and the tensions which they generate may become more and more problematic as the Company moves away from its dependence on the original entrepreneurial owner. In large part, de-personalising the entrepreneurial function may involve a relinquishing of rational calculability in its pristine form.

Nothing expresses this tension more than the contractual arrangements which LTC has with many of its concessions outlet managers. These are the "agency agreements". For Colin Dunbar in particular, the agency agreement is the biggest source of disaffection and

discontent within the company. As a consequence, it is the cause of most of the complaints which managers make about the company to Leisure Centre staff and Council officials.

To the outsider, the agency agreement appears to be the epitome of rational calculability as a ground for business activity. The agreement is designed to do two things. First, it is designed to minimise on-costs (food and labour costs) to the Company. Second, it is designed to reward efficient managers by giving them a share of profits. Managers of outlets who can satisfy certain conditions, act as an agent for LTC by employing their own staff. Thus, if they are prepared to work long hours themselves, cut costs and are efficient, they can generate profits for their units, up to 25% of which are returned to them as commission. Agents only get paid commission. The agency agreement, then, serves both what is viewed as LTC's interest of achieving increasing profitability, and at the same time operates a particular set of motivations and incentives which might be defensible as being in the best interests of (individual) managers. The way in which the agreements incorporate both a motivational value system and mechanisms of cost control is obvious. Agents get what they work for. Some managers have, by selective innovation, long hours, hard work, and because they took advantage of favourable local conditions, achieved annual commission payments in excess of £15,000 (which in terms of a low salary industry and at 1984-5 prices were generally regarded as quite reasonable). Others have not. The problems are that (a) if the context changes through no fault of the manager, for example if the opening hours of the facility vary, or the facility is closed for some reason, or if alternative attractions are put on locally, or (b) if Company policy with regard to purchases and sales changes, the managers are the ones who suffer. Thus, two of the biggest problems that managers point to are the quality of the goods being sold and the way staffing effects levels of sales. The food lines are cheap (what Colin calls "rubbish") versions of standard brand names. Although they have the 'right' food costs, they can be very difficult to sell. In addition, cutting back on staff costs can be achieved by closing down cafeterias early or running at an "undermanned" level. Such staff levels also mean causing lines to form in rush periods and hence both outcomes may mean lost sales. The net effect is that while the profitability of an outlet for the company (percentage of costs covered by sales) may be increased or remain steady, throughput declines. Thus, the managers may actually be worse off because they are paid on an actual profits not a percentage profitability basis. In one case, a combination of declining throughput and poor food costs meant that the manager was taking home less than £20 per week. Within the generalised outlook enshrined in the agency agreements, the immediate response to this might be to suggest that labour and food costs can be got under control with a bit of effort. With imagination, sales can always be generated. Although this might be true, it is open to some doubt whether other people have the drive, ambition and sheer skill which (Lawrence) has to achieve such things. The agency system expresses a set of constraints which others see as ideally suited (Lawrence). In that sense, it implements (his) norms. It provides just the sort of challenging environment in which (he) would thrive. But, not everyone is (Lawrence). And, as the Company employs more and more people who operate outlets on its behalf while at the same time seeking to retain tight supervisory control over them, it is necessarily less and less likely to attract entrepreneurial spirits such as (Lawrence). For Sandy and Giles, it could well be time to recognise this divergence and to provide some kind of supportive net for managers of outlets who find the agency agreement asks too much of them.

What we are talking about, of course, is how (Lawrence) is perceived and the attitudes, values, norms and beliefs which are attributed to (him) on the basis of what (he) does. This appears to be a strategy of seeking to do things as cheaply as possible and thereby maximising profits. While they can understand the need for profitability, at times those around him seem to feel that, as a business ethos, it places them in difficult positions. They have to try to balance the forces and constraints within which they work. This is what we meant by the tensions which it generates. What is crucial here is that their view of (Lawrence) makes the primacy of profit not a matter of choice but an unquestioned requirement of sensible business practice. They see it as normative for him. It is what (he) feels (he) has to do. (He) could not operate otherwise. If we put it that way we can see just how the problem of transition is expressed in this aspect of the routinisation issue. What we have highlighted is how attitudes towards business life and management operate as the basis upon which lines of social action are drawn up, justified, made understandable, rationalised; in short made accountable. They have to do with conceptions of oneself and others, expressed or encapsulated in a conception of what appropriate management is. Here, although Sandy and Giles are orienting to very different groups, they share a common view. Giles would like to see a more formalised, hierarchical, broader based administrative structure with clear lines of responsibility and spheres of action. Such a structure would match those of the organisations with which he most often deals. Sandy would like to see a little more freedom of movement for the managers, a little less appearance of penny-pinching and more caring for and understanding of their problems: a kind of kinship structure. To them, the set of attitudes identified with (Lawrence), appears almost to view those who work for (him) at the unit level as interchangeable factors of profit production. Both Sandy and Giles feel the tensions might be ameliorated if only it appeared that (Lawrence) accepted the changing nature of the Company and, perhaps, interfered a little less. Of course, Lawrence's response is that when he does that, the business profits begin to slide!

At the mundane level of daily working life, in the midst of this complexity, administrative staff find their way through the confusion of contrary normative demands by orienting to the particularities of just who is making them and just what the demands are. That is to say, they instantiate schemes of interpretation in particular management styles.

Management as the achievement a segregation of spheres of action

An essential element in the classical theory of the routinisation of charisma is the segregation of spheres of action. This process can be seen in the differentiation of normative structures oriented to by the senior executives at LTC. The growth of the Company has led to the emergence of a division of labour of administration and responsibility. Giles, Lawrence and Sandy are increasingly operating in segregated spheres of action. However, this is not a straightforward and uniform process. While everyone recognises the need for such a division of labour, nonetheless they all deeply aware of the need to equilibrate the centrifugal forces which it engenders with the centripetal forces deriving from the Company's origin as a one man business. Hence this process of segregation takes place in the context of a countervailing tendency towards centralisation. Again, as with the normative orientation to profits, Giles and Sandy are very well aware of the advantages which flow from, in particular, Lawrence's involvement in all aspects of the business. However, they also see that such involvement has

costs. It is, then, a question of seeking to balance costs and benefits on a continuing day by day, case by case basis. In this sense, the calculative and the social are not so much disentangled and held apart, as combined, in that a different order of rationality, that is in essence administrative rationality, is pragmatically incorporated into the calculation.

Much of the working life of Lawrence, Sandy and Giles expresses and is oriented to managing this pair of possibly contradictory forces. The way in which they organise or attempt to organise their spheres of operation, their involvement with each other, their daily and weekly time-tables, their personal managerial styles are all bound up with the process. Since it is Lawrence who is the central figure here, we will have to describe the orientation to management activities which we have in mind here, by describing the patterns of some of their working relationships with him.

There is an important point which has to be made at this point. The segregation of spheres of action refers to the way in which ideal typical courses of action and arenas of interest are gradually being seen promoted and managed within the Company. Because these are often associated with the spheres of responsibility held by particular individuals but not necessarily executed by them, we will adopt the same device used in the previous discussion of Lawrence. Thus, when for instance we talk about what Giles might be expected typically to do, how his activities are seen to be typically organised, we will refer to {Giles} doing this or that.

To most people within the Company, at least those who have anything to do with the central figures at Head Office, the active, working units are {Lawrence and Sandy}, and {Giles}. That is to say, when people deal with the senior management, they either deal with Lawrence and Sandy or they deal with Giles. As a pair, Lawrence and Sandy have operational control over most of the business. The closeness of the relationship between Lawrence and Sandy is not merely a consequence of the length of time she has been with the Company and the fact that she is, as Financial Director, in charge of office management. Giles has been with Lawrence almost from the start but for various reasons does not operate in the same way as {Lawrence and Sandy} do. The {Lawrence and Sandy} unit is the consequence of the reliance which Lawrence places upon Sandy's business sense, expertise and judgement and the way he gets her involved in almost everything he does. Quite simply, whenever he has a business problem, whenever he has to make a decision, he nearly always talks it over with Sandy. He may not accept her advice necessarily, but he asks. The extent of this close working relationship, can really only be appreciated if you spend some time in the office. It is part of the office folk lore that Lawrence is always "harassing" Sandy, rushing in and out of her office, asking for information, reporting the results of phone calls, keeping her up to date on developments, phoning from across the corridor to seek her advice on all manner of things from the colour combinations of table linen and the prices of particular suppliers, to how to deal with the personal problems and difficulties of individual managers. In this sense, Lawrence does not "interfere" in the spheres for which Sandy has responsibility, or at least not all that much, but simply incorporates her into his spheres of action. The {Lawrence and Sandy} unit appears then as a consequence of the constant blurring of the boundary between their specific spheres of action. The upshot is that while she has areas where she acts independently in that she hardly consults or ever refers to him (eg in the organisation of office routines) over large areas of his working life, Lawrence involves Sandy in what he is doing. To those observing this unit in action, the way in which Lawrence relies on Sandy is seen as yet another indication of how closely he wishes to be involved in everything and how much

he identifies the Company with both himself and other key personnel.

The way in which this involvement is both produced and oriented to can be seen from one of any number of similar cases. When a problem arose with the management of a very important and prestigious outlet, Lawrence immediately set about trying to organise a trip to the Centre concerned to see for himself what was going on. At the same time he wanted to meet the Council officials from whom the complaint had originally derived. He took it for granted that Sandy could go, would want to go and would want to take part in the meeting. It did not occur to him to ask himself (or her) if there was anything that she particularly could say or do, or whether her time would be most effectively spent there. He was well aware of the difficulties posed by the outlet and the solutions seemed relatively straight forward. Her being there would make little or no difference and would take her away from the office for a day at what was a busy time of the year. Nonetheless, when the arrangements had all been set up, Sandy did not openly question the need for her to go.

Lawrence explains this reliance on Sandy's presence and judgement is in an interesting way which brings out the interplay between personal relationships and the orientation to profitability. There is, of course, the financial management side. She ought to be involved in anything which affects the Company's profitability in a serious way. Also she knows about the detail of the accounting practices used by the Company, where to find figures in the accounts as well as how they have been arrived at. She set the paperwork system up; she knows it. Apart from the way in which Lawrence perceives this specialist expertise permeating the whole business, he has a profound respect for her operational sensitivities. Sometimes, a little disparagingly perhaps, he refers to this as "the housewife viewpoint". But he claims, in fact, that she notices things about the way operations run which he would not spot. Her eye for detail complements his. He has what we will call "the entrepreneurial eye"; she often sees things from the point of view of the customer. It is this combination of administrative and financial know-how and commonsense acuity that Lawrence has come to rely upon. It complements his own rather more rumbustious attitudes to business practice and his operational insights. Because he relies upon her advice so much, Sandy has more than once been able to pour cold water on some scheme which Lawrence has dreamed up for marketing a new product, squeezing costs a little more, or increasing profitability.

The coalescing of spheres of operation and the way in which this expresses the transition between the entrepreneurial and the managerial structure and the rationalities associated with them, condense in Lawrence's unwillingness to make instant decisions. He prefers to worry at things, turning them over and over, around and around. He has found over time that using Sandy as a sounding board enables him to get things clearer and to be a little bit more positive. He still doesn't like making decisions, especially final decisions, but it is a way he can muddle through. Because, as the business has grown, Lawrence has had to move away from direct involvement in actually running the outlets and become more and more of an administrator (which he loathes) he has had to become more and more of a decision maker rather than an action taker. All of which is, of course, precisely what the routinisation issue is a gloss on. Getting things done (usually by doing them himself) is what Lawrence is really best at. What he is not good at (and this is another element in the Company folklore) is making up his mind what to do. For that reason he has come to rely more and more on Sandy, and thereby turning {Lawrence and Sandy} into the visible decision making unit in the Company.

Sandy's response to the coalescence of spheres of action has been resigned tolerance. Giles has gone in the other direction. He has, in one way or another, sought to distance his operational sphere from {Lawrence and Sandy's} daily involvement. By and large, {Giles} has a separate organisational base within the Company. This is something {Lawrence and Sandy} are very well aware of. While the separation can be justified in terms of efficiency, none the less the fragmentation it might lead to is a cause of concern. Giles joined Lawrence from a large hotel chain soon after LTC had been set up and was very much involved in the expansion of the Concessions Division. More recently he has concentrated on building up the Airports Division. His personal relationship with Lawrence is particularly interesting because their styles differ so much. As we have said, Lawrence is a mixture of the abrasive huckster and the persuasive salesman. At any one time, either aspect may be on show. Giles is a much more low key character. He tends to place an emphasis on efficient management and administration. This difference is often expressed obliquely in the lines of action which they propose in order to raise profitability. {Giles} tends to take the form of what we might call a line-management style of delegation and consultation, trying to explain initiatives to managers and involve them and their staff in them. As we saw with the agency agreement, Lawrence tends to think in terms of constraints and rewards. The benefits and penalties should be clear enough for the managers to work out for themselves what they should do.

Both Lawrence and Giles are very well aware of the differences in their management styles and in the image of the Company which they have and portray. However, yet again they value these differences as complementary. {Giles} would no more strip a machine down, mend the electrics, serve the food or fit furniture in an outlet (as {Lawrence and Sandy} have often done) than he would fly. But then Lawrence admits that he could not negotiate the contracts with suppliers which Giles does. Just as with Sandy, the expression of the reciprocity of dependence colours the apparent power differentials between them. These differences form part of a set of mutual orientations which provide distinctive solutions to the problem of segregation from those which Sandy and Lawrence have worked out. One such led to what appeared at first to be an overt exercise of authority but which ended up as an agreed preservation of operational spheres. It occurred over an accounting procedure that Giles had allowed at Luton Airport. Giles felt that the procedure (it had to do with the cost of non-returnable plastic crockery was treated. It was written off to "repairs and renewals" rather than against operational costs.) prevented his staff from being penalised because of the costs imposed and loss of profits incurred during building work that was taking place. Lawrence felt the procedure was unnecessary and made the management accounting system meaningless. The issue came up during a routine Board meeting. Lawrence kept insisting that the correct procedures be used; Giles resisted. At this point, there seemed to be no way to prevent the thing from getting out of hand, and becoming a public row. Lawrence in the end refused to talk about it any more and requested Giles to see him privately (ie without the fieldworker present). The upshot was that from then on the plastic non-returnables would be accounted in the usual way but that this would not be retrospective. Lawrence gained the principle: Giles gained the case he wanted to make.

The existence of an organisational separation between {Giles} and {Sandy and Lawrence} is reinforced by two things. The first is the physical location of the Airports administration. This was on a separate floor from the rest of the main offices with its own toilets and kitchen facilities. Lawrence and Sandy had to find out whether Giles was in and whether he could

see them. There was no popping across the corridor for a quick chat. It has since been reinforced even further by the removal of the Division to the North Wales Hotel which Giles now partly owns and runs for the Company. (The finance for this venture was put together in collaboration with LTC, and LTC hold a large share in the enterprise.) The second aspect is the way the office was run while it was at Head Office. {Giles'} staff very much identify with him. That is to say, unlike the rest of the office staff at Telford, they worked directly for him rather than Sandy. He selected and trained them. He organised their work loads. The impression which one got when watching the way the office runs was that it was built up around a conscious management style, one of delegated administration. This is in very direct contrast to Lawrence in particular, and hence to the way that {Lawrence and Sandy} work. To run the seven airports and deal with contracts Giles has two secretaries cum administrators. In addition, he has Greg Bailey as Group Manager of the airports together with a high calibre General Manager in each airport. Lawrence ran the whole of Concessions with one secretary who also worked for Colin Dunbar, and two regional managers.

Where {Giles} tends to want to expand the number of people around him to a level he feels will make the operation work smoothly, Lawrence gets by with the minimum, and sometimes less even at the cost of smoothness. As can be imagined, this difference in management style sometimes surfaces as a strong disagreement about the image which the Company projects, and the aims which it sets itself. In such disagreements, the role which Sandy adopts as a part of {Lawrence and Sandy} and the way she orients to it are fascinating. She is acutely aware that the Company has to keep costs under control if it is to maintain any level of profitability. Like many such businesses, despite its size and turnover, it operates along a knife edge of profitability. At the same time, she is aware that expansion into novel areas may be hampered by what Giles once called the "under-resourced" management structure. The lack of a career structure often forced ambitious and able managers out of the Company with the result that outsiders felt the whole business was far too heavily dependent upon the very real but hard pressed and finite gifts of a small number of people.

We have been talking about spheres of action in terms, largely, of areas of Company activity for which individuals are responsible and the extent to which Lawrence involves Sandy in {theirs} and Giles manages to distance Lawrence from {his}. This is not the only dimension along which management as segregating zones of action is manifest. It is also very easily seen in the ways in which the shape of {Lawrence and Sandy's} working days impact upon those around them.

When Steve Hopkins who was working for Lawrence as a regional manager in Concessions decided to leave, he wrote his own job specification. In it he warned prospective candidates that the LTC was a "stimulating" but at the same time "demanding and competitive" environment. Lawrence wasn't very pleased by this. He never asks anyone to do any more than he would do himself. In fact, often he asks less of them than he asks of himself. But that does not take into account the size of his own work load and especially what it looks like to others. He has no need to do so, of course, because it is his load and he organises it himself. The time he spends in the office or on the road travelling to meetings, outlets etc regularly amounts to well over 10 or 11 hours a day. His routine is somewhat unusual in that he often does not get into the office until after 9:30 am but then he is nearly always the last one away at gone 9:00 pm. When you talk to him about this, Lawrence doesn't see what the problem is. He works long hours, sure, but he is doing what he wants to do and enjoying himself. The

business is, as he put it, his livelihood and his hobby. And anyway, if he didn't put the hours in, he could not be certain that the profitability of the Company would be sustained.

The shape of his working day has unintentional knock-on effects for other people and thus is defined by them in particular ways. This is expressed in terms of their feeling that they are required to act in particular ways because {Lawrence} does what he does. Often the only time that one can be sure to be able to see him without being constantly interrupted is after normal office hours. As a consequence, those who work directly for him find themselves scheduled for meetings that never start before 6.30 or 7 pm. Certainly it is the case that if Sandy, Giles and Lawrence want to discuss something together, it has got to be when the rest of the office is closed. It also affects his secretary, Gill. She has a similar working pattern to Lawrence, coming later than the rest of the office staff and working until 8 or 8.30 at night. In fact, she is very well aware that she has to make an effort to keep the hours she works within limits, otherwise Lawrence will just make more and more demands. Perhaps the person it most affects, though, is Sandy. Given the way in which she has got used to being relied upon and the obligations which she feels towards Lawrence, she very rarely leaves before he does. In fact, when occasionally she has to leave early, Lawrence tends to too. She has deliberately organised her family and outside life so that it hardly impinges upon her business life. In doing so, she recognises the sacrifices she has had to make. She also realises the rewards that it has brought. She would not hold the position she does in another company. The tensions which this can generate are most often seen during project developments like those we discuss later. The time which Lawrence and Sandy put into the detail of a project has to be sacrificed from elsewhere. When they are off viewing sites, at meetings with possible suppliers or clients, the work still piles up on the desk in the office. Since control is so centralised, it is they who have to do it when they get back in. And that is usually when everyone else has gone home. The centrality of {Lawrence and Sandy} is such that no-one can take over when they are out of the office.

The demands which we are talking about refer not just to the volume of work which Lawrence takes on and gets through, or to the effects of the shape of his working day. It also has to do with the way in which he is presumed to work. {Lawrence} is meticulous almost to a fault. {He} is expected to pay close attention to every thing and spend inordinate amounts of time (or so it can appear) fussing over details which one might feel he could well leave to others. It is quite common for him to write and rewrite a tender statement 5 or 6 times, each time having it re-typed, before he is satisfied it says what he wants it to say. This concern for detail leads those who work directly for him to become wary of seeming not to have a similar grip on their own areas. The consequence is that "report-back" meetings drag on interminably as the subordinates trek through all the operational details which they think {Lawrence} wants.

The general grounds for attributing this meticulousness are, of course, defined as an important part of his success and pointed to as facets of his "entrepreneurial eye". It is the same trait which allows him to be able to "raid" an outlet and put together a list of faults a page and a half long simply by walking around it. Such lists range from missing light bulbs, dirty cutlery, drinks sold in the wrong sized cups, to food in the wrong fridges, the bar store unlocked, keys left in the open. It also enables him to spot where cost savings can be made by manipulating the menu, the method of serving, or presentation. In a later Chapter we will spend some time discussing this aspect of Lawrence's entrepreneurial skill.

The difficulty arises when it is felt that the working practices are taken to be normative. One angry comment was made by Sandy during a discussion of the re-organisation of the company. Lawrence simply failed to see why, if she was to run COUNTRY KITCHENS and keep a general eye on the administration (which was the plan at that time) she needed more than a relatively inexperienced assistant. If he didn't have to run the Company as well, he could do it on his own. It was, he said, "a doddle". And, of course, operational genius that he is, he almost certainly could. But what Sandy felt he failed to appreciate was that not everyone else was as good, or efficient, or committed as he was. In her view, {he} thought everyone was the same as him, but they are not. At that point, if her assistant, Roger Mulaney, had to run all the COUNTRY KITCHENS on his own, he might very well have found the task too great. Lawrence remained unconvinced.

The point of this, of course, is not that differences of opinion and attitude arise, but how sets of standards are derived. {Lawrence} is seen as setting his own standards for himself, while those around him come to feel that they may be constrained to accept these for themselves. The standards appear, to them, to be implicitly normative and thus being used as the basis of evaluations.

The strains introduced by {Lawrence's} attention to detail and also the gains with regard to profitability to be made from it are best seen in the context of the non-food invoices. These are invoices which do not concern orders for standard supplies. They cover all repairs, all miscellaneous purchases, expense accounts and so on for the whole Company. The processing of non-food invoices is on a fortnightly cycle just like the rest of the paperwork (cf Chapter 7). The invoices are batched in 70's and put on the computer for payment. However, payment can only be made once both the Divisional Director and Lawrence have authorised it. As with all paper work, Lawrence dislikes going through the invoices. He puts it off for as long as he can. Indeed, every month there is a little game played where Sandy reminds him to do them and he complains about her nagging. But, when he goes through them, even though they have already been checked, he invariably finds mistakes, wrongly coded items, items that have been overcharged and so on. He finds these things simply because only he has the required knowledge to spot them. Going through the invoices gives him "a feel" for what is going on in the company and enables him to keep on top of costs. As Sandy willingly admits, it can save thousands of pounds a year. In managing {Lawrence}, in orienting to {his} preferred working practises, she tries to optimise the pay-off between what uniquely {he} can provide and what organisationally she needs. His dislike of the boringly routine checking that it requires, together with the length of time it takes, means that payments are often delayed to the very last minute or beyond. The net effect is that Sandy and the rest of the office staff are the ones who get the calls from irate creditors or who have to short circuit the system to ensure that essential services are paid for. The very thing which makes {Lawrence} a success and hence one of the ways that the Company ensures it is profitable, has the consequence of generating trouble for them.

CONCLUSION

Our argument in this chapter has been a fairly straightforward one. The phenomenon which

sociologists describe as “the routinisation of charisma” is visible to and recognised in daily working life as the problem of managing a transition of management styles from a highly personalised to a depersonalised one. In fact, it is that the problem is recognised and dealt with at the level of practical organisational life that the phenomenon is available for sociological reflection and theorising in the first place. What the concept “the routinisation of charisma” expresses, at least in the context of its application to the business enterprise, is a sociological gloss or transformation of what we can think of as commonsense management theorising in practice. The roots of this sociological concept are very firmly located in that commonsense theory and its component commonsense constructs. As we have explored it, the commonsense construct ‘management’ takes a number of forms. The collection of these forms or types constitutes a commonsense managerial interpretive scheme by which those engaged in day to day administration and management activities can make sense of their own and others activities. In the next chapter, we will look at how the practical manager how the determination of possible profit opportunities is managed as a practical activity.

NOTES

- [1] We have adopted this term from Weber’s classic studies of political power. Cf. Weber (1948). The theme is a common one in studies of organisations. Cf. Collins and Moore (1970).
- [2] This term was offered by one of the management staff at LTC to describe the distinctive flair which Lawrence brought to the business.
- [3] The possibilities inherent in the use of this device were first introduced to us in a talk given by Harold Garfinkel in Paris, September 1987. Its use can be discerned, albeit implicitly, in the discussion contained in his paper, co-authored with Michael Lynch and Eric Livingstone (1981), where the first optically discovered pulsar is defined and described as a “cultural object”.

5. Organisation and the entrepreneurial eye

Introduction

At a number of different points and in a number of different ways in this book, we have made reference to what we called “the mythology of the entrepreneur”. In some ways, this mythology both derives from and expresses the importance of the role allocated to entrepreneurs in contemporary economic and socio-political thinking. Although there are distinct differences of emphasis, and indeed wide variations in terminology and specification, nonetheless nearly all commentators agree that the form of modern industrial societies, that is the general prevalence of democratically organised, relatively open social systems, is a function of the character of the economic structure shared by these countries. The analysis might differ as to whether the systems are capitalist or post-capitalist, developing, stable or regressive, but there is general agreement that it is the driving force of capitalism which gives them the shape they have. And, in this particular story, the entrepreneur is cast as the key economic actor in the development of capitalism.¹ It is the entrepreneur who revolutionises production, finds or makes new markets and products, and who liquifies resources by taking risks and speculating against his competitors.

However, apart from this strategic role, some of the mystique attributed to entrepreneurs derives from the intangibility of whatever it is that makes entrepreneurs both special and successful. There is a sort of fascination with what we might call the social psychology of entrepreneurial success (Chell 1986). Simply saying that if opportunities to make profits by accepting risks are provided then some people will take those risks, seems not to be enough. We want to know why these people rather than those are willing to do it; and what it is that makes them successful if and when they are. No-one wants to say, of course, that the

entrepreneur is entirely different from the rest of us: merely that in some, crucial ways, what differences there are make a difference. On a not dissimilar theme, a Sioux 'medicine man' says the following things about himself.

Seeing me in my patched-up, faded shirt with my down-at-heels cowboy boots, the hearing aid whistling in my ear, looking at the flimsy shack with its bad smelling outhouse which I call my home - it all doesn't add up to a white man's idea of a holy man. You've seen me drunk and broke. You've heard me curse or tell a sexy joke. You know I'm not better or wiser than other men. But I've been up on the hilltop, got my vision and power; the rest is just trimmings. (Fire and Erdoes 1980, p. 158)

The definition of the "vision" and its "power" is, of course, central here. As with 'medicine men', entrepreneurs are often credited with insight, a talent, a knack which the rest of us do not have. They have the entrepreneurial eye: the capacity both to spot and then to exploit a market opportunity.

The trouble is that the standard individualistic, utilitarian account of entrepreneurial motivation and activities has virtually nothing to say about the processes of market making and innovation, though to be fair Kirzner makes numerous comments about this (c.f. Kirzner 1982). In general, however, they are subsumed under the heading of "external factors" to be explained by social psychology, management science, or, more often, simply natural talent and luck. However, this will not do if, as we have indicated right from the start, we are interested in it as a working environment. We have to see market making in the context of the context of work routines and daily practices; in what contexts and in what ways opportunities are spotted, market possibilities noticed and made the most of? Since, in all but the rarest cases, these processes will be carried out from within an existing organisational framework or base, then our phenomenon is unremittingly social in character and socially organised in form. Social relationships, their structures, values and normative orders are integral to any seriously empirical Economics and Economic Psychology.

It is important explicit about what we have in mind here, for at first sight at least, this suggestion can be thought of as implying a number of different things. Let us take the social aspect first. In the Introduction to this Part, we said the social can be construed in one of two very different ways. For brevity's sake, we can call one a constructivist view of sociality and the other an interactional view. Under the constructivist view, the social designates an environment of explanatory variables which interrelate in causal or functional ways. The purpose of sociological analysis is to tease out how specific empirical cases exemplify the general forms of these relationships. Thus, when one says that social relationships are integral to any seriously empirical Economics and Economic Psychology, what is meant is that explanatory adequacy can only be obtained if reference is made to the contribution of such social forces to the variability of economic activities and motivations. This, it will be remembered, is the line that Etzioni champions and with which we took issue in Chapter 1.

Sometimes what are called 'interactional' conceptions of sociality, are in fact versions of constructivism. In our view, the crucial difference between constructivism and interactionism, is the point of reference of analysis. To use the term introduced earlier, interactional account are **egological**. Constructivism seeks to find ways of relating the shape of interper-

sonal experience to the system of explanatory variables referred to just now. Interactional accounts, however, see such explanatory variables as global summaries of the sedimented experience of individuals living their lives within what Phenomenology calls "the intersubjective realm of the lifeworld" (c.f. Schutz and Luckman 1974). On this view taking up the essentially social character of economics, means casting economic activities and economic predispositions, motivations, needs and wants, their rationality, justifiability, efficiency and so on, as the outcome of interpretational work carried out within daily life. The schemes of interpretation which facilitate this interpretational work are, then, located in an organisational specific nexus: a nexus defined by the division of labour, the managerial practices and accounting systems within which they are put to use. The consequence of this view is an approach which treats the interpretational work on which routine economic life depends as irredeemably social in character. The very possibility of mundane economic life is predicated upon a presumption of intersubjectivity.

In that "the social" could be taken two ways, so too can "social psychology". On the one hand, it can be used to attribute a particular psychological predisposition to some individuals. They have particular sets of values beliefs and motivations and hence are willing, in the case of entrepreneurs, to take risks. In addition, it can be suggested that the willingness to take such risks, and hence the success of these individuals, very much depends on the socio-cultural circumstances in which they find themselves. There are numerous studies which identify the psychological and social correlates of entrepreneurial success (and failure) (Paulin et al. 1982, Khan 1986). One which has the distinctiveness of trawling entrepreneurs' own views on what they felt was important for their success is that by Ronen (1983). Ronen condenses the psychological predispositions, the knack, the talent to a single polymorphous concept, that of **openness**. What exactly is meant by this is a little more difficult to specify. However, Ronen suggests that entrepreneurs emphasise the following aspects: (a) alertness; (b) information gathering; (c) the quest for novelty; (d) the estimation of 'downside risk'; (e) informality of decision making.

Alertness is a psychological term, and so we don't really get very far simply by replacing one undefined psychological concept by another. However, Ronen appears to think that the subjects agree, in general terms at least, with Kirzner's conception of what alertness means when applied to entrepreneurial activity.²

.....by stressing alertness, Kirzner is emphasizing a quality of perception, of perceiving an opportunity that virtually exists as a real thing out there. (Rothbard 1985, p. 280)

Ronen summarises the processes of information gathering, opportunity evaluation, and so on like this:

The process through which the entrepreneur seeks and gathers the information is not one which can best be characterised as "rational" search based on expected net profit from the search. For the innovating entrepreneur, information about unknown opportunities cannot be associated with ex ante quantifiable benefits.....Once opportunities are identified, however, rational cost-benefit calculations become important for obtaining efficiency in the (ultimately

routine) operation. The entrepreneurial process thus involves in part an opportune search for knowledge, and in part a serendipitous find. (Ronen 1985, p.146)

It is precisely this combination of freewheeling search and acute market sensitivity which we have tried to encapsulate in the title of this chapter.

The impetus underlying this Social Psychology is not too difficult to discern. It is, first of all, the determination to offer causal explanations for entrepreneurialism. Within these, entrepreneurial activities and insights are reduced to a set of correlated variables (or factors) including the psychological, the social and the economic where the overall aim is to use the variance between the variables as the explanation of relative success or otherwise of entrepreneurial ventures. Closely associated with this is the search for an entrepreneurial algorithm, a set of codified instructions which, if followed, would enable anyone to become an economic innovator. Such an "entrepreneurial expert system" would take the risk out of risk taking. If we knew what made the entrepreneur successful, we could replicate that success. The problem with both of these is that they run into the essential intangibility of the entrepreneurial eye. Talent resists being factorised: hunches cannot be programmed. This being the case, the mystique of entrepreneurial success not merely persists but is even strengthened.

In our view, much of the project we have just been describing is engaged in that standard social science practice of attempting to measure the unmeasurable and define the indefinable (Leiberson 1985). While the arguments go back and forth, and round and round, very little real progress is likely towards the goals as these have been drawn up. We are no nearer knowing why one entrepreneur is more successful than another, nor how the successful ones get their ideas. The lesson we draw from this is that there may be much to be gained from reconsidering the constitution of the Social Psychology of economic activity. Such a reconsideration might take a number of forms. However, given the earlier conception of the social, an experiential or phenomenological Social Psychology would seem the most suited to our present purposes. To invoke another phrase which we have used before, such a social psychology seeks to describe the *gestalt-contexture* or configuration of the experience of economic actors. How are the relevances, interests, needs and motivations appear to be perceived, ordered, displayed, in short organised within economic activity in the lifeworld.

In our earlier discussions, we set out the general approach adopted here. None the less, it might be as well to summarise the line of thinking before moving on to consider actual cases. Gurwitsch (1964) defines "Gestalt" in the following way.

By "Gestalt" is meant a unitary whole of varying degrees of richness of detail, which, by virtue of its intrinsic articulation and structure, possesses coherence and consolidation and, thus, detaches itself as an organized and closed unit from the surrounding field. (Gurwitsch 1964, p. 115)

Central to this view is the notion of gestalt-coherence, "that is, the specific form of inter-relationship between the constituents of a Gestalt" (ibid p. 137). A Gestalt is not the sum of its parts, nor yet is it reducible to its parts, it is rather given as a unitary whole in and through which experience is thematised by the perceiving subject. Such thematisation provides what

is given to consciousness or experience not as a collection of points, moments or objects but as a field of awareness. The bases of thematisation are the relevances or interests with which we turn to the word of experience. Thus, to take a familiar example of Gurwitsch, when we listen to a piece of music, how we thematise the musical experience depends upon whether we are, for instance, seeking to transcribe the piece for a different instrument, using it to exemplify a particular style, immersing ourselves in it as a means of expressing a mood, or providing ourselves with aural wallpaper. In each case, our orientation to "the same succession of notes" will produce radically different experiences for us as their configurations differ. In that sense, our orientations organise our experiences differently.

This is, of course, a Cartesian Psychology in that its premiss is the experience of the perceiving subject. However, we can turn its descriptive intent to our ends if we take the distinctive methodological turn we outlined in earlier chapters. Rather than being concerned to describe directly the "subjective states" of particular individuals, we can treat their actions as displays of subjectivity and hence as solutions to the problem of the co-ordination of activities. In what they do social actors display the organisation of their experience. Since such actions are in the world of others, that is in an intersubjective world, experience is essentially social in character. We act unproblematically in what Schutz (1967) calls "the wide awake world" only because we take for granted that our motivations and those of others are transparent.

If, as before, we take this conception to the phenomenon of entrepreneurial success, what what entrepreneurs do can be taken as displays of how they perceive, orient to and act upon the environment of economic possibilities. In the conventional account, such activities are summarised as 'the acquisition and assessment of market information'. Ronen (op. cit.) calls this search for information "opportune". We want to talk about opportunism as method, for the upshot of our social psychology is a conception of the economic actor engaged in organising the world of economic opportunities while in the midst of exploiting them. Because this organisation is carried out in partnership with others, ie intersubjectively, and because it is praxeological, we will refer to it as *the work of the entrepreneurial eye*. We will explore this phenomenon by examining in some detail how three projects emerged at LTC and were developed there. Through this examination, we will draw out a number of features of entrepreneurial ventures, in these cases relatively successful ones. In this way, we will bring out something of the methodical basis to entrepreneurial work. As such, this will serve as a first summary of a number of features we take up in more detail in the next Part. For the moment, we are content to show how practical calculation, price fixing, and business reasoning are viewed and applied, and hence how phenomena such as "the genius of the entrepreneurial eye" often mystified as intangible, ineffable, uniquely personal qualities, can be made amenable for analysis and description.

The Projects

The three projects we describe were all "active" during the period of fieldwork. They were not all equally important at any one time. Neither are they all that was going on in the way of "development" at LTC at that point. There are two reasons why they have been picked out. First, they were being managed by Lawrence and Sandy, which as we have said, is the central decision making unit in the Company. In addition, Lawrence is acknowledged to be the

entrepreneurial cutting edge of LTC's business. Second, they are "conservative innovations" in that they embody the applications to novel situations of what are, for LTC, tried and tested techniques. This second feature is, we think, likely to be of general importance. Within the context of the successful business, there is little incentive or room for radical innovation. Instead, innovation takes place by a process of transformation and evolution at the margins. New ideas do get tried: new fields are explored. But the weight is always towards expanding on the existing product and market base. Conservative innovation is not a thought-out strategy in the sense that the business has a policy decided upon and laid out in management edicts. It is rather the outcome of the ways in which decision makers at LTC see the sets of constraints they work under and the possibilities available to them. Conservative innovation is simply what they do. We begin by laying out the major stages in each project's development.

SWELL BELLE

This project shows both the positive and the negative sides of product development. In late 1984, Lawrence was sent a cutting from the *Bradford Gazette* by one of his managers. It was an advert for an in-store concession to provide food and drink in Bradford's "Carnaby Carnival", one of a chain of High Street retailers specialising in clothes for the young (15-25 year old) fashion conscious female. Having made a contact, Lawrence proceeded to formulate possible alternatives which would be aimed at this market. The clients had stipulated that it should use soda fountain-type theme. After considerable thought and work, Lawrence settled upon basing it around "Cola", an international brand leader in the soft drinks market. Having outlined his proposal, Lawrence submitted detailed plans for consideration. In July 1985, Carnaby Carnival pulled out. They were not prepared to take the risk. To all intents and purposes the project was dead.

In December 1985, Lawrence received a phone call from Jeanne Goodson. Jeanne had been concessions manager at Carnaby Carnival and had since moved to Swell Belle, a somewhat similar but much larger and more up-market operation. They already had in-store catering in their premier site in London but Jeanne and other staff at Swell Belle felt that the facility provided was out of key with the rest of the store. In addition, since the rent they were receiving was tied to the level of turnover, they did not feel the potential of the store was being exploited. The space was wasted and could quite easily be put to better use. Was Lawrence interested in resuscitating his ideas for Carnaby Carnival, or in developing something novel?

The first thing Lawrence did was to visit the store in Oxford Street. He did this while in London for another meeting and arranged a tour of the facilities with the store's Concessions Manager. From what he saw, Lawrence was convinced of its potential as a fast through-put, high spend outlet.³ Talking to Jeanne, it became clear that a re-vamped the Carnaby idea would not be enough. The present set up, although unsatisfactory did provide food. Swelle Belle wanted to keep this facility. In consequence, Lawrence added a range of hand held products (burgers, sausages of various exotic flavourings) to the base of Cola. The name was to be COLA PLUS with the decor making use of the distinctive Cola colours and insignia. In addition, he envisaged a touch-screen ordering system with pulsing video displays of orders and order numbers synchronised to the pop music which is played continually while the store

is open. The whole thing was designed to be loud, garish and fun. It was expected that spend per head would be £1.20p. Since Swell Belle claimed a throughput of several hundred thousand through the shop each year, it was clear that there was money to be made.⁴

Lawrence's first task was to sell the idea to Jeanne and to her immediate superior. This was done by putting together a set of figures and by Lawrence selling both himself and the idea. Once this was done, a full scale presentation had to be mounted for the Corporate Directors of the Group which owned Swell Belle. Lawrence made up a video-tape on LTC, the possibility of Cola plus and the clear failings of the current concession.⁵ These failings were not just "operational" in the sense of profitability. They were also to do with a failure to fit the image of the store and to promote awareness of the facility. Mention was made of a survey of users of the restaurant and of shoppers in Oxford Street, both of which reflected negatively on the existing concession.

The Directors liked the idea, but as ever, the difficulty turned out to be money. The likely costs of setting up the outlet were enormous and Lawrence was unwilling to commit himself to the levels of rent required. To reduce the scale of the investment, various of the selling points had to be dispensed with, in particular the video screen system. After much toing and froing, an agreement was signed. LTC guaranteed to pay Swell Belle 2.5% of a turnover of under £200,000, 2% above £200,000 with a guaranteed minimum of £40,000 per annum. Lawrence had determined that he had to take something in the region of £3000 per week to make the outlet pay. Whether he would then be "earning a living out of it" would be a different matter. COLA PLUS opened up on 17th November 1986, nearly 12 months after Jeanne had first made the contact. By late the following year, it was £15,000 adrift of its budget. This was not wholly unexpected though, since the use of the facility had been so low. It remains to be seen whether sales and labour costs reduce as the use grows.

While he had been haggling with Swell Belle, Lawrence had, at the same time, been looking for the products he wanted - the flavoured sausages etc - and seeking permission from Cola to use their name and logo. The latter had been far more difficult to obtain than the former, and involved direct application to the Head Offices of Cola in America. It was only after a considerable amount of pressure was brought to bear both by LTC and by Cola (UK) that permission was given. Tracking down the video systems, getting layout designed and fitted, negotiating over kitchen equipment, getting the uniforms ordered all had to be done before the deal was finalised. At the same time, both Sandy and Lawrence were responsible for running the rest of the Company.

Perhaps the first thing to notice about COLA PLUS is the accidental way in which it emerged. The original idea was in response to an entirely different project and it was only resuscitated because of a personal contact. The information collection and sorting which Ronen's (op. cit.) respondents referred to seems to be concerned more with the putting of the package together, the finance and the operational details, than with searching out a market opportunity. Lawrence's entrepreneurial eye, his talent, came into play only in determining whether the possibility once presented was worth pursuing and how best to sell the image to Swelle Belle themselves (the video was crucial here) and to the customers. Lawrence's entrepreneurial eye is not in seeing the possibility, but in developing it in an appropriate way. It is how this possibility is located in a mesh of other possibilities and resources, how it can be realised which is crucial. And here, as we can see, it is the capacity to see how what is

already in operation elsewhere in the Company and hence ready to hand, what is being developed and hence within reach, can be adapted for this case which are crucial. The entrepreneurial eye as instanced at COLA PLUS turns into the working out for a specific case of the strategies interpretive calculation and attention to operational detail we have had reason to stress again and again. Talking about a knack, or a talent, or even, as we have done, of the entrepreneurial eye, in treating the outcomes as a consequence of a "gift" which Lawrence has, underplays the effort that is involved in searching out and evaluating the various ways in which the operational technicalities can be handled. It is with this work that Lawrence is in his element.

Regalway, Bristol

All appearances to the contrary, fashions in the fast food business are very slow to change. Indeed, it could be said that the last major shift in the marketplace in Great Britain occurred with the invasion by MACDONALDS in the late 1970's. However, many people in the industry sense that a similar change may now be on the way. It is the spread of the concept of "food courts". In essence these consist of a single central seating area serviced by a number of small "kiosks" selling alternative types of fast food. One may concentrate on salads, another on burgers, a third on sandwiches, and so on. These courts are taking the place of single-line concessions in places such as shopping malls, mainline stations, theatres, conference centres, and other public places.

In the summer of 1986, Lawrence was approached by Mike Smallwood of Hot Potato (H-P) with a view to setting up a joint company which would develop food courts in various locations. H-P is a division of NDS which holds a 40% stake in LTC, so the tie up between them is not all that surprising. The company trades under the name "Tradewell" and was bought off the shelf by H-P. The shares in Tradewell were to be equally spread between SLF and H-P. H-P were already on the look out for ways of diversifying and had employed a firm of surveyors to look for suitable sites. At this point Mike seemed to be taking most of the initiative.

During the Autumn, a trawl was made of several possibilities in London and elsewhere. None seemed promising either because of their situation, or only the whole site was to be available, or because the plans were not far enough ahead in development. During this time, Lawrence accumulated a raft of information on food courts and who ran them. The underlying sense of these accounts was of a constant search for a "magic formula" which would catch the market for a couple of years before being taken over by something else. This "hula hoop" conception means that the set ups and facilities have to be flexible in the extreme.⁶

Eventually a site in Bristol was spotted through an advert in a trade magazine. This had the possibility of seating 400+ with 10 servicing kiosks. The advantages that this site had were that it was accessible from all levels and that it was not restricted in its opening hours. Mike and Lawrence decided to make an offer for the concession. They will pay £120,000 per annum for 5 years (the length of the contract) and franchise the kiosks to brand leaders such as WIMPY, and COLA. To make a profit on the £90,000 investment in 5 years they have to turnover between £1 and £1.5 million. The project should be open in late 1987 and is expected to make a first profit in 1989, having run at a loss of £115,000 for the first year. In the

meantime, the search is on for further sites. If these are forthcoming, management contracting for such Courts may become a wholly distinct divisional activity within the Company.

Once again, the important feature of this project is the way that it emerged. Although Lawrence knew about food courts (they have been a feature of USA fast food selling for a number of years) he was not actively considering their possibilities. It was only with the approach from H-P that this happened. The tie up to H-P and via them to NDS meant that the project was both 'in-house' in a certain sense but also able to call upon greater funding possibilities than LTC could offer. Further, with Mike Smallwood was someone with whom Lawrence felt he could personally work. As it stands at the moment, NDS is making most of the running, using its contacts to find the sites for evaluation. When specific projects move into the operational phase Lawrence becomes more involved. He is, seeking ways of making the systems more efficient, collecting information on types of equipment, types of product and how the formats already worked out at LTC can be exported and adapted to the food court system. He is also looking for further developmental sites. In that sense, his entrepreneurial eye as we described it earlier is only just now coming into play as the site goes operational. The opportunistic search and information gathering of possibilities was, in this case at least, not handled by LTC or NDS but via their agents. It is the evaluation of these possibilities in terms of what they are doing now, what can reasonably be taken on, what the site offers, and so on which is crucial. These evaluations are not, then, the iterations of a set loop, but attempts to fit the peculiarities of 'this case' into the contexture made up of the work in hand, the time available, the interests they have, and the emerging shape of the whole food court development within the Company at large.

PICCADILLY

The Piccadilly project is both different from and very similar to both of the other cases we have been describing. It arose in much the same unplanned way. Through the contacts with NDS and H-P, Lawrence became aware of the possibilities of opening up fast food outlets in Israel. One of the Directors at H-P already had some contacts in the country. In mid 1986, Lawrence and Sandy had a preliminary scouting visit during which they met a number of people with whom they had been put in touch by Jake Grover the owner of NDS.

The result of this visit was a decision not to open an LTC facility in Israel but to act as backers and advisors to local people who wanted to set up on their own. One such pair were Nick Beauchamp and Phil Towers. One of the reasons for opting for this alternative rather than direct franchising of COUNTRY KITCHENS or COLA PLUS (for example) is the distinctiveness of Israeli fast food and its relative lack of sophistication. What they saw during the original visit to Tel Aviv and elsewhere had come as somewhat of a surprise to Lawrence. There were also the (obvious) difficulties of running a business in a foreign country.

Nick and Phil already had their eyes on a site in a new shopping mall in Tel Aviv, but lacked any expertise in the area. A quick look-round the site, involving taking photographs, use of the video mentioned earlier in this chapter and detailed notes, enabled Lawrence to decide that it was a possibility. A new company LTC (Israel) was set up which Phil and Nick were to run. LTC had a 10% stake in LTC (Israel) and were to be paid a commission or franchise fee based

on a percentage of turn-over. In effect, Lawrence and the staff of LTC became a consultancy back-up and advisory service for Nick and Phil. Several multi-way phone calls took place, and tapes of detailed requests and explanations were posted back and forth. The advice concerned the whole range of detailed requirements to set up an outlet such as this from kitchen equipment to staff uniforms, decor, menu organisation and till control. Some of the detail contained in these exchanges is fascinating. Here, for instance, is a snippet from our fieldnotes on how to get the best out of a business.

Disposables:

Ensure that the correct disposables are used and costed into each recipe and that the staff do not give extra serviettes, sauce portions, spoons etc, therefore defeating the original costing.

Portioning

Watch this carefully and see that spoons are not over filled and the potato is not topped up with an extra little bit as this can happen frequently.

Staff Consumption

It is normal to provide a fixed cash value of product which the employee may consume during a lunch break and for less than say 4 hours, it is not normal to allow food consumption perhaps only 1 drink. We also find it helps to exclude certain types of drink which may be expensive in cost terms and these would need to be purchased if the employee wants them. If you adopt the attitude of allowing one potato with fillings then you may wish to exclude certain more expensive fillings. All staff consumption should be recorded on a suitable form.

As can be seen, the model which was selected for the operation was that of Hot Potato, it being a somewhat more simple product range and less "up-market" type of operation than COUNTRY KITCHEN. Nick and Phil came to Great Britain in the late Autumn and were trained by the Hot Potato training staff in systems of stock control, till management, financial control, operational requirements and so on. The management systems used by LTC were also provided for them to use. They then went back to Tel Aviv to set up Piccadilly. Lawrence and Sandy paid a further visit to Israel for the final setting up and opening of the unit.

Piccadilly is now well on its way and appears to be making money. Advice and help still streams out from Telford to Tel Aviv but Nick and Phil appear to be becoming more and more self-reliant. There has been some discussion of expansion to open up further units elsewhere in the country.

The Entrepreneurial Trick

When we were discussing Ronen's account of entrepreneurial skills, we picked out alertness, that is the scanning for opportunities, as an important feature. We made also some play of two other factors with which was associated in the minds of actual entrepreneurs, namely information gathering and evaluation and the minimization of what is usually termed "downside risk" - the possibility of making losses. In the way in which we have outlined the three of the projects above, alertness as the orientation to the business environment as a

structure of possibilities, is there, but in a somewhat attenuated form. True Lawrence and his associates do take an interest in developments in their areas of business. They do visit new outlets of the competitors, and notice places where they might open up outlets themselves. But such a information gathering is not the primary source of stimuli for novel developments. Rather, they tend to respond to opportunities presented to them. Such overt market surveys as are carried out could not be said to have been anything other than a committed haphazardness. The external business environment is screened for possibilities by means of an examination of the financial, trade and other press. But this is not systematic data gathering. Whatever one's eye falls on, whatever comes to hand, whatever is sent in by colleagues and collaborators, is what is collated. LTC's approach, for instance, contrasts significantly with H-P's use of an agency working on a retainer to find food court sites. The reason, or at least one of the reasons, for the lack of reliance on a formal information gathering system is the strength of the informal one and the way in which it is viewed. The network of contacts which all the senior members of LTC have built up and the information which is gathered is treated as a resource. As such it has to be used, traded, worked upon. Indeed, to the outsider the circulation of information between executives (and, even, potential competitors) can be quite astounding. Certainly, the psychology of the individual, asocial, self-motivated "economic actor" does not fit all that squarely with what, to those taking part in it, business life looks like. A fair amount of tugging and bending has to be gone through in order to show the "medium" and "long term" benefits that are supposed to accrue from exchanging information in this way. To them it is simply that people do help each other out, think of friends when they notice bargains, houses for sale, opportunities and so on. Why not businessmen too? If we adopt the standpoint of the individual within a network of social relations, such information circulation becomes humanly understandable if not calculatively rational. None the less, it is such a circulation which enables to system to function in the first place.⁷ After all, as social structures, patterns of friendship and acquaintance are organised around reciprocity of prestations and obligations.

The work which goes into information gathering, to phoning friends and acquaintances, to reading the press and visiting sites belies the conventional view of entrepreneurial innovation. At no time during the period of development of any of the projects we have discussed, did Lawrence or Sandy, or any of the LTC staff undergo anything like a "Road to Damascus" revelation or "Eureka" insight. There was nothing as cataclysmic nor, perhaps, as untrustworthy as that. What there was was a uneven, sometimes quicker, sometime slower, often quite hectic process by which the possibilities for actual cases were worked out and explored and the downside risk minimised. It is the organisational strategies by which these two features are achieved and the possibilities which are seen to present themselves realised, which, in our cases at any rate, seem to underpin entrepreneurial success.

The first component in these processes is the thinning out of the risk. At best, this means a complete off-loading of the risk entailed by any venture. This was virtually achieved in the case of Piccadilly, where LTC had no risk capital involved at all. There was, of course, the opportunity cost of executive time, but this was felt to be matched by returns on the rents. The organisational costs were to be billed out at consultancy rates. With the food court venture, the risk is shared with a closely associated and somewhat larger firm. At present, it is not quite clear what the risk ratio for LTC as against Hot Potato might be. Tradewell is jointly owned on an equal basis. However, since most of the preparatory (and hence time consuming) work

has been carried out by Hot Potato, the risks so far undertaken may be minimal. Of course, this will change as the venture nears operational start-up and Lawrence's skills are called upon. With COLA PLUS, the risk is all LTC's. However, the original size of the project has been scaled down, and Lawrence has negotiated significant reductions in the rents payable to Swell Belle. Further, because of the character of the unit, some of the setting up costs were either shared or covered by Swell Belle directly.

A second aspect of all this is how the projects are seen as constellations of matters requiring the detailed oversight of the senior executives. In each case, the project was defined by those involved in its development as an occasion demanding just those sets of skills and expertise which Lawrence and Sandy are said to possess. There is almost no delegation at all of major (or even minor) developmental decisions. In one sense, this is a product of the belief that it is in organising and running operations so that costs can be pared that Lawrence's genius lies. In another, it is a response to a perception of what is required in situations such as this. He feels that if costly mistakes are to be made, (and everyone admits that they will sometimes be made), they are best made by those who have finally to pay for them. Since he is the boss, he owns the Company and someone has to take the risk, it should be him. In that sense, he would not want to trust anyone else to do it for him. This being the case he does it himself. Lawrence and Sandy were deeply involved at all stages of the setting up of all of the projects, from the initial sketch plans, through the working out of detailed designs, to the final stages of shop fitting and installation. It was they who carried out the surveys of shoppers and restaurant users, who chased equipment and planned menu cards and so on. They spent days at a time away from the office during the final run-up to opening, with all the consequent knock-on effects for their own and other's work loads. The same is true with the food courts. As the projects near start up, they take over more and more of this Executive time. With Piccadilly, physical separation made that impossible. Nonetheless, they were closely involved at all stages, advising on seating and how to take pedestrian counts to estimate potential markets, and did, indeed, go out to Tel Aviv to "help with" (i.e. take over) the opening of the unit.

The attendance to the operational detail and its close supervision is associated with a further feature of the development process. This is what we might call recycling of the familiar. Innovation takes place, by and large, through the introduction of standard procedures, menus, operations, recipes, products in wholly novel environments. Because the environments are never wholly similar or even, sometimes, compatible, a degree of re-shaping takes place. Thus the extension of the Hot Potato model to Piccadilly had to take account not simply of dietary and other requirements in Israel, but also of local differences in the way that establishments like this one might be used. In the food courts, it is quite likely that some of the popular lines from COUNTRY KITCHENS will be repeated, together with the skeleton of the COLA PLUS idea. The latter, of course, looks wholly innovative until one sees it in operation. Take away the trimmings, and its operational structure is the same, more or less, as any of the leisure centre units and a great deal less complex than any of the COUNTRY KITCHENS. Of course the variety and standard of products is very much higher than the former and different to the latter. The similarity of operation is revealed by the fact that it was one of the more successful COUNTRY KITCHEN manageresses who was drafted in to supervise the start up of COLA PLUS. In pure accounting terms, Cola Plus is currently treated as if it were a COUNTRY KITCHEN. This reflects the cluster of considerations outlined in

the Chapter on "Managing Profits", by keeping Lawrence and Sandy's joint project in an area of the Company which is solely their responsibility, and protecting Giles' divisions from the effect of the loss that is being made at the moment.

The interchangeability of staff is made possible by the use of generalised accounting systems. In part this is a further instance of format borrowing. The standard procedures for stock control, fortnightly stock checks, till management and so on are used. So are the tried and trusted rule of thumb measures of both potential and actual profitability, labour costs, food costs and liquor costs. When any site is being reviewed both prospectively and when it is running, it is these figures which feature most significantly in management decision making. The percentages they provide are a simple and easily available ready reckoning of "how things are going". Indeed, one could say, the whole elaborate accounting procedure which underpins the Management Accounts is designed merely to produce these summary measures. (C.f. Part Three.)

More than anything, though, what comes out of these examples (and remember they are just some of the projects on the boil at LTC) is the extent to which entrepreneurs hedge their bets. Product innovation takes place along several dimensions at once. New things are tried, but rarely in an all or nothing fashion. The sheer number of projects being thought about and developed, the volume of new ideas and possibilities that are taken up, run for a short while and thrown away is quite amazing. The net effect is, of course, that not too much is at risk at any one time. If lots of things are tried, some of them are bound to be relatively successful.

Looked at from a broader organisational point of view, what the features we have just adumbrated seem to do is to both create and help partially to solve is a time-tabling and attention span problem. No single person, nor even a small executive group, has enough time to concentrate on project development. All of LTC's management are multi-functional. It follows that, even if they would, they could not initiate wholesale reconstructions and innovations. They simply do not have the time to investigate all possibilities, tack down all the necessary information and resources, etc etc. They have to rely on rule of thumb methods and what has worked in the past. The informality of decision making, the personalised market research, the use of guestimates, tried formats and so on are ways of getting things done as reasonably and successfully as one can in the circumstances. Conservative innovation is the consequent outcome which has all the appearances of a rational strategy of following lines of least resistance and incorporating patterns of working and product which are already very familiar. It is however more like a rolling response to the demands of circumstances which are dominated, in the end, by limitations of time. It is time rather than finance, expertise or idea which is in scarce supply at LTC.

It could be said, then, that the entrepreneurial trick, if there is one, by which the integration of opportunism and methodicalness which is what the entrepreneurial eye amounts to. For the entrepreneur this is expressed as a gestalt, a contexture of things to do, problems to be addressed, solved or set on one side. The routines which are operated are methodic procedures for managing demands and constraints: the need to visit a site, read an agreement, look at the designs, compare the prices, work out alternative approaches, check colour schemes etc. etc. Although it is surely the case that entrepreneurial talent is in part cognitive, the capacity to see what others have not noticed, and part methodic, the systematic gathering of appropriate information, to judge from our example it is also (perhaps even mostly)

organisational. It is the capacity to keep going, to find the energy, to work on through the tiredness and get the paperwork done, to fit things in and make the time to be able to attend to the details. From our materials, we would suggest that entrepreneurial success depends upon the ability and willingness to cope with and respond to a constantly revolving kaleidoscope of relevances and priorities. Things have to be done, kept in motion, worked out and completed. The organisation of entrepreneurial work, the basis of the entrepreneurial eye, involves getting through the working day : dealing with each task as it appears as the next thing to be done, on the desk, on the phone, in the car, or wherever. This endless round of involvements is encountered by Sandy and Lawrence as, for example, the need to return to the office after long days visiting sites or meeting suppliers, to "clear the desk" ready for the next day's onslaught, to "pick up the paperwork" concerning other possibilities which were also being examined and developed at the same time, or make the return call which earlier in the day they promised. From the inside, business life appears as a swirling field of forces, constraints, things to be done and actions to set in motion. The success of the entrepreneur, his entrepreneurial eye, depends not merely on a knack or gift or insight, but on how effectively this field can be managed on a day to day, task to task basis; on how things can be lined up with others, left until later to be resolved, meetings tied together or developments "piggy backed". Conservative innovation is one such strategy of management.

Notes

- [1] This is true especially for those who deplore the weakening of the capitalist ethic eg Gilder(1981 and 1986), as well as those who theorise its transformation (eg Hayek 1978, Kirzner 1982).
- [2] Cf. Chapter Two for a discussion of Kirzner's theories. A useful summary is to be found in Rothbard (1985)
- [3] It is extremely difficult to describe the atmosphere in Swelle Belle. The customers are almost entirely young women who move around the cluttered displays in a constant, excited flow. The feeling movement and energy is reinforced by the garish lighting, the glitter and the constant barrage of pop music from the in-house radio station.
- [4] The detail of how these figures were arrived at is given in Chapter 6.
- [5] Giving a presentation in this form was an entirely new experience for LTC and Lawrence. The use of the video was quite fortuitous. Lawrence had been given a video camera as a Christmas present and had begun to use it in place of his ordinary camera to preserve the feeling, looks, lighting etc of sites. He had also given a little thought to making a training video for staff. He found a local one man business which produced video programmes. He, Sandy and this producer then concocted the whole 15 minute "show" one week-end. The cost of the programme was £75 for the hire of the studio equipment.
- [6] Everyone accepts that tastes change and hence there is a need to up-date both the product and the market it is designed for.
- [7] We cannot pass on without calling attention to Barth's brilliant paper (Barth 1967). Here the valued commodities were beer and millet (rather than information and

contacts) but nonetheless a circulation of them could be discerned governed by complex sets of normative orientations. For an analogous phenomenon, albeit it analysed somewhat differently, see Levi Strauss'(1969) account of the circulation of women among Amazonian tribes.