

In This Issue

Singer's 'Strategy as Rationality'

Alan E. Singer, of the University of Canterbury in New Zealand, has attempted to tackle the vexing question of individual versus organizational (or group) rationality. Conventional wisdom insists that collectives and corporations do not have goals or objectives and they do not behave purposefully: only individuals do. All collective and group behavior is of the 'as if' or 'ex post' type: a corporation behaves as if it had goals only after we had analyzed its past behavior.

We know that individuals set a priori goals and that individuals in organizations set goals *for* their organizations. Are these collective goals *for* or *of* organizations? Can a collectivity possess a priori goals and rationality distinct from those of individuals comprising it? Is collective rationality derived from the competition of specific individual rationalities, or are the individual rationalities derived from the overall rationality of a whole?

In other words, is it legitimate to treat individuals as a homogeneous jelly-mass or 'market' of non-autonomous machines, or is each individual customer, consumer or producer a primary, unique and fully autonomous decision-making human agent? Is Tom Peters right in insisting that markets do not buy anything, only individuals do?

Singer has taken a radical step on behalf of the collective rational agency by introducing the concept of *plural rationality*. Instead of individually-rational agent, he talks of a plurally-rational agent. This is not any single and well-defined aggregate preference structure: in the multidimensional world of multiple criteria decision making, the utility and preferences aggregates have become dysfunctional and meaningless.

The question is: does this plural rationality pertain to collectives or to individuals? It seems that individuals, rather than collectives, are multi- or

plurally rational, according to the various contexts of their individual 'Multiverse' (rather than conventional Universe).

Singer offers a set of over 30 distinctive forms of rationality which he places in one-to-one correspondence with a *strategy set*. Thus, the strategic management *process* can now be analyzed in terms of its prescriptive faculties and in terms of its 'mysteries'.

Meta-rational arguments are invoked and examples of meta-rationality informing strategy are given: optimal strategy, expressive strategies, strategic timing, adaptive search strategy and not-for-profit commitments. All of such strategies are both rational and yet fundamentally different. Strategic commitments permit loss of managerial utility in service to a stakeholder cause.

Singer identifies the firm, organization or strategic entity as a plurally rational agent. This perspective explains and justifies the prescriptive dimension of strategic management theory, whilst it places rationalistic inquiry on par with the empirical approaches in strategy research.

HSM is now the main outlet for *modern* strategic management research, addressing the mysteries.

Machado's 'Organ Transplantation'

Recent emphasis on the quality of the process, rather than the quality of the product, is based on the assumption that quality processes lead to quality products, but not vice versa.

One of the most complex processes is that of leading to transplanting human organs (e.g. kidneys). This process is further complicated by dynamic governmental rules, professional rules of conduct, rules of ethics and cultural imperatives. In addition, the organ transplantation system (OTS) is accompanied by complex decision-making and judgmental subprocesses: (1) The Donation Process and (2) The Organ Allocation Process.

Professor Nora Machado, of the Uppsala University in Sweden, has researched the social process of organ transplantation and offered a model of its main phases, settings, rules, actors and constraints.

She presents the necessary and detailed flow-chart diagrams for the process of a kidney transplantation in the region of Uppsala. Such descriptive diagrams can serve as models for process modeling in other service spheres as well: educational, financial and general health care.

The OTS process is characterized by distinct phases, like: (1) Determination of death by a physician; (2) Request for donation; (3) Donation decision; (4) Determination of suitability; (5) Extraction of the organ(s); (6) Recipient Selection by means of Matching-priority patients, Matching regional waiting list, Matching other regional lists, and Matching International waiting list; (7) Transportation of the donated organs; (8) Implantation of the organs; and (9) Post-transplantation period: post-operation period and periodical follow-up.

In terms of settings, Machado analyzes Political-administrative decision settings and Specific Organizational Settings (Agencies for organ exchange, transplantation centers, donor hospitals, recipient hospitals).

Rules and principles include medical technical criteria, psychosocial criteria and other criteria (waiting time).

Among the key actors are physicians, surgeons, coordinators, patients and potential donors. Constraints include characteristics of urgency, preservation of the organs and strategic resources (technical and human).

Similar components and specifics of modeling, without getting bogged down in needless and irrelevant details, should be operational in modeling other processes for quality analysis.

It is only on the basis of such exhaustive process models that one can intelligently discuss maintaining or changing the social rules and regimes organizing and regulating the transplantation process. One can identify the critical decision moments, the points of social tensions and conflicts, and so on.

Professor Machado has opened a line of human systems process modeling which should be useful to HSM theorists and practitioners alike.

Shenkar, Hattem and Globerson's 'Quality Circles'

HSM readers will ask: Why yet another paper on quality circles? Isn't there a more important management research to perform? Have not quality circles been generally accepted and aren't they performing well?

From time to time we do return to older techniques and approaches in order to confirm their performance and suggest their analyses. The authors claim that although quality circles (QC) have already been studied through and through, their costs and benefit analysis has rarely been attempted. Also, a comparison analysis of quality circles with individual suggestion programs has not been carried out. This is all in spite of that close to half of the U.S. Fortune 500 companies now use quality circles.

The Tel-Aviv group of researchers, Shenkar, Hattem and Globerson, has attempted such comparative costs-benefits analysis as a case study in a large manufacturing organization.

This paper is attempting to develop criteria through which a cost/benefit analysis for a QC program could be carried out and to apply a cost/benefit analysis to an ongoing QC program.

The authors identify cost-related components, like QC design cost, introducing QC program to employees and a QC maintenance program. Among the benefit-related components, they identify self-esteem, perceived impact, performance feedback, productivity, quality, safety and delivery time.

Most of the benefits are difficult to express in dollar figures, a major challenge to this case study.

The study has identified a significant increase in the number of suggestions submitted by the individuals participating in the QC program, rather than submitting individually. Therefore, employee performance is positively affected.

The authors thus confirm an already well known and especially in the U.S. also highly regarded fact that a good QC program is generally a good investment and an effective approach to improving organizational and individual performance.

We can now concentrate on the important issues of quality: process, product, customer perception and strategic positioning.