Structuring the decision process

Selart, Marcus

Preprint / Preprint
Sammelwerksbeitrag / collection article

5. Structuring the decision process

Marcus Selart

Norwegian School of Economics

Abstract

This chapter includes a discussion of leadership decisions and stress. Many leaders are daily exposed to stress when they must make decisions, and there are often social reasons for this. Social standards suggest that a leader must be proactive and make decisions and not flee the situation. Conflict often creates stress in decision-making situations. It is important for leaders to understand that it is not stress in itself that leads to bad decisions, rather, bad decisions may be the result of time pressure in the sense that leaders have not been able to gather enough relevant information. Thus, it is worthwhile for leaders to be able to prioritize properly in order to cope with stressful situations. In some situations, a leader chooses to delegate the decisions to his/her team and then it is important to guard against «groupthink», a phenomenon where members of a team put consensus before anything else as a result of the peer pressure. A number of methods are presented that enable leaders to avoid this phenomenon. Often leaders are involved in decision-making situations where they are forced to navigate between objectives that are in strong conflict with each other. We are talking about «decision dilemmas». These are characterized by the existence of a conflict between the top leadership's desire to control the activities and their wish to give autonomy and independence to the various units. It is important for leaders to be able to strike a balance in different dilemma situations and understand how to best manage conflicts when they arise
.

Working with structured group processes

The basic idea of structured group processes is that a panel of experts can make more realistic predictions than a group of laymen. It is common that these processes are referred to as the Delphi technique. The number of respondents is usually between 30 − 40 participants. However, it is suggested by Wright and Goodwin (2008) that 5−20 participants should be used. It is important that the participants are guaranteed anonymity. All participants receive comprehensive feedback from the whole group so that each member has the opportunity to adjust their own assessments. Often a special research group that plans exercises, tests questions, and analyzes the results is created. It is common that a group of experts initially responds to a well-designed questionnaire. Here, they give their views on when a number of events of strategic importance will appear in the future, if at all. After this first round is finished, the results are summarized for each event, in quartiles for the whole group. Then it can prove, for example, that one quarter of the group felt that the event X would fall before 2015, that half the group was of the view that it would fall between 2015 and 2025, and that the remaining quarter responded later than 2025 or never (Coyle, 2004).

When the experts are informed about the response pattern of the group, they have the opportunity to adjust their assessments. If, for example, an expert is in the outer edge of the distribution he or she is able to either change position or give arguments to stand by the assessment. The procedure can last up to three rounds in the normal case. For this reason, the use of the technology to a large extent resembles a controlled debate. A variant of the technique is to ask participants to estimate on a five-point scale how important it would be if the event X occurred before 2025. In addition, the participants can be asked to estimate the probability of the occurrence of Event X on a five-point scale. Later on, they can also be asked to confidence rate their own responses (Coyle, 2004).

One problem with this method is that it can be difficult for many experts to make predictions 25 years into the future when you do not know how the world will evolve. It can therefore be successful to describe a possible future world development in the beginning of the survey. Will people in general be governed by prosperity and optimism or by poverty and pessimism? (Coyle, 2004). Another problem with this method is that it is usually expensive and time consuming.

Research shows that Delphi groups generally perform better than traditional teams do (Rowe & Wright, 1999, 2001). This suggests that individuals make more accurate predictions in the Delphi groups than in the unstructured groups and that the Delphi technique therefore should be used. However, one should remember that individuals recruited to the Delphi groups often consist of selected experts that differ from natural groups in the workplace. These experts are quite concerned about how they perform and many times know their colleagues' strengths and weaknesses. Still, one should bear in mind that natural groups are often more risk-seeking or more risk aversive compared with individuals performing the same task in isolation from others. A distinction between *risky shifts* (when groups are more risk-seeking than individuals) and *conservative shifts* (when groups are more risk aversive than individuals) can thus be made. The phenomenon is usually referred to as group polarization. The attitudes that the group members bring with them determine whether or not the phenomenon will occur and how. These attitudes tend to be reinforced in the group discussion.

Working with scenarios

When working with scenario planning the focus is on how the future might unfold. It is therefore necessary to include some sort of time horizon, for example, ten years into the future. Leaders must make it clear to themselves which is the underlying reasoning governing the assessments made about the future. These assessments are often about what we know with certainty and what we perceive as uncertain. In addition, they often address the trends that can be perceived ahead. The uncertainty factors may involve the pace of technological developments, how quickly the market is willing to accept a new product and how the media will deal with events that somehow can be related to the product. The certainty factors are more closely related to the predictions that can be made ahead of people's buying habits on the foundation of basic needs. Recent trends stipulate such things as in what direction the technological development moves. The relationship between these three factors (uncertainty factors, certainty factors and trends) is central to the design of scenarios. However, it must also be considered how the various key actors will behave in order to defend their interests in the market (Heller, 1998; Wright, 2001).

A common way of working with scenarios is to make them as extreme as possible. The basic idea is that the business idea that has been developed should undergo some form of sensitivity test that resembles a wind tunnel. The business idea can thus be compared with the design of a new aircraft. The scenarios can be equated with the wind conditions which may be more or less extreme. The business idea should like an airplane be able to fly more or less well in all conditions. An alternative way of working with scenarios is to test an entire arsenal of strategies against a number of scenarios. These strategies can be available, planned or alternative in nature. Sometimes whole cities can be used as alternatives in case a strategic decision is about where in the world you want to build a new central warehouse. In such a case the urban properties are tested against various possible future scenarios before a decision is made on where the new warehouse is to be built (Heller, 1998; Wright, 2001).

Leaders can also work to develop scenarios based on an analysis of driving forces. With this method one tries to get an idea of how various influential events gradually differ with respect to two key dimensions: 1. How predictable they are, and 2. What effects they will have. You can start by writing down on post-it notes which events are likely to affect the problem that you are interested in. In addition, a time horizon must be specified. These notes are then attached to a whiteboard where two coordinates are plotted. The two axes illustrate how predictable the events are (much /little) and what impact they will have (big /small). The next step involves trying to group together events in clusters. You should think about the underlying drivers/motivators that might link the events together in each cluster. When you have identified a number of drivers/motivators, it is appropriate to clarify which of these that really matter for your organization. These are then analyzed with respect to what possible outcomes they may result in. In this way you create a variation range for the possible outcome of each driver/motivator. Leaders can then experiment with combining the extreme outcomes from a driver/motivator with the extreme outcomes from another. Based on these results, skeletons of 3−4 scenarios can be created in the next phase. These can be given names that summarize the essence of them. Leaders' next task is trying to place copies of their post-it notes with the proposed events on a new whiteboard where the skeletons of the scenarios are mounted. In addition, you can try to create a story around each scenario by placing all of "the events" along a notional timeline. Here, it is important to look for causality between events. In this context it may be worthwhile to analyze past events. These are often a good clue to what might be causal connections between the events that you are experimenting with. Then it's time to revert to the old whiteboard. Are there any remaining post-it notes with events that have not been associated with any scenario? If this is the case, you can try to create new scenarios that also include these events. The last thing to do is to evaluate the developed business proposals and strategies against the prospects represented by the various scenarios (Heller, 1998; Wright, 2001).

By reasoning with the help of scenarios leaders are given the opportunity to create a platform for communication about the future of an organization. Leaders can thus communicate to the organization's members how they look at the outside world. When a scenario has been created and the reasoning behind it has been presented, the organization is mentally prepared for the future. When the early events related to a scenario begin to appear, the leader has an opportunity to understand better how the future will turn out. Such events are, therefore, important information that affects the leader's behavior. To be able to recognize early signals in this manner and put them in stories related to the future is regarded as important by many leaders. Some argue that this approach is even more important than that which advocates the creation of robust strategic options.

The major advantage of developing scenarios is that a leader's often poor ability to create valid future predictions is overcome. With the help of this method leaders can develop a range of possible future scenarios that capture the fundamental uncertainties. The method therefore stimulates the heterogenenity of top executive teams and thus discourages a rigid consensus culture.

Developing an outside perspective

Positive illusions can be seen as a necessary evil in relation to decision-making. They occur in the cutting area between cognition and affect (Bazerman, 2006). These illusions are vital but can simultaneously be disastrous. There is research showing that most leaders see themselves, the outside world and the future in a more positive light than what reality acknowledges (Taylor & Brown, 1989). An optimistic attitude can have both positive and negative outcomes. According to Taylor & Brown (1988, 1994) optimism can enhance a leader's self-reliance and contribute to endurance when difficult tasks are to be solved and unsafe situations are to be handled. However, it is worrisome when the positive attitude impacts negatively on decision quality. There are many examples where positive illusions have led to wrong investments, cracked budgets, failed mergers and unsuccessful projects. According to Lovallo & Kahneman (2003) many decision makers are defective in their planning. Many decisions are made on the basis of illusory optimism. In such a context, the decision makers do not engage in a rational assessment of potential benefits and drawbacks, but overestimate the potential benefits while the drawbacks are underestimated. This can have catastrophic consequences (Kahneman & Lovallo, 1993; Lovallo & Kahneman, 2003; Bazerman, 2006; Moore, Kurtz Berg, Fox, & Bazerman, 1999).

Managers often experience a high degree of control and security that may be indicative of over-confidence and illusions of control. This can be explained in several ways (Kuvaas, 2002). First, widespread participation and involvement in a discussion of strategic issues can in itself give a false impression that the issues are thoroughly analyzed (Das & Teng, 1999). This can easily lead to wishful thinking (Lyles & Thomas, 1988). Second, presenting arguments can in itself make leaders become more confident in the tenability of those arguments (Heath & Gonzalez, 1995). This means that leaders to a higher extent trust their own arguments the minute they have been presented to others.

Most leaders have an optimistic attitude to the business they are working in. A major reason for this is that leaders often perceive themselves as better than the average. This tendency is reinforced by the fact that most managers like to take credit for positive results. The negative results, however, are often associated with external environmental factors. It has also been observed that leaders often link the positive results with the factors that have been brought under control, such as corporate strategy. The negative results are often associated with uncontrollable factors such as the weather or the inflation. Often, there are a lot of organizational mechanisms that encourage optimism. Because of the limitation of resources, different departments are sometimes pressed to compete with each other in terms of producing attractive plans and forecasts (Kahneman & Lovallo, 1993; Lovallo & Kahneman, 2003).

There is also a tendency among leaders to overestimate the control they have over the situation. For example, there may sometimes be leaders that argue that there are no risks associated with the prepared plans. Many leaders think that risks are synonymous with challenges that can be addressed with the help of skilled action. Another common perception is that the results obtained can only be linked to one's own actions in the organization. The self-image that exists is that leadership is synonymous with control of the events. It has nothing to do with gambling. By being so focused on their own plans and conditions leaders often neglect the possibilities for competitors to act. Events like price wars and overcapacity can therefore be neglected. In designing their forecasts, leaders therefore tend to ignore the likelihood that chance or uncontrollable factors will play into the process. (Kahneman & Lovallo, 1993; Lovallo & Kahneman, 2003).

The factors that produce over-optimism are thus rooted in the limitations of the human imagination. No matter how detailed a description of a possible scenario is, there are weaknesses. The explanation for this is simple. Any complex project can be viewed as a myriad of different problems. Examples range from technological errors to currency fluctuations and bad weather. The point is that it is outside the human imagination to be able to perceive all these potential issues. The result is that as leaders develop different scenarios they underestimate the risk that something goes wrong. When developing "the most likely scenario", it is thought that this is in fact the most probable one. The assumption can be wrong. There are often unforeseen events that have been neglected. Often, the probability of such an event occuring is very little, if one considers the situation in isolation. But if you combine the probabilities of several such incidents, the risk of any of these occuring, is sometimes greater than you think (Kahneman & Lovallo, 1993; Lovallo & Kahneman, 2003).

To guard against over-optimism, leaders must be able to take an *outside perspective* as a complement to the inside perspective. This means that you must be able to identify a reference class of similar past projects, studying how they fell out, and place your own project in the distribution of results. In order to protect against over-optimism you should then estimate the reliability of your own prediction and make a correction of the intuitive estimate. As a leader, you do not have to be an expert in estimating competitors' plans and capabilities. The effects of these are already in the results of previous projects that are part of the reference class. When taking an *outside perspective,* leaders are less focused on details that can be linked to their own project. Taking such a perspective also means that they refrain themselves from making predictions about events that could affect their project's future. A limitation with the outside perspective is that it can be difficult to use in order to predict extreme outcomes. There may simply not be a project with a similar prehistory among earlier projects. But for most projects, the method is viable (Kahneman & Lovallo, 1993; Lovallo & Kahneman, 2003).

Many may think that optimism is in itself a bad thing for the organization or that it is every leader's job to try to eradicate it when it turns out. This is not the case. Each organization needs optimism as a key driver and as a source of enthusiasm. Realism has, unfortunately, the property that it does not motivate people. The organization needs optimism to motivate employees and get them focused. However, the organization must also be able to generate realistic forecasts. This is particularly important when large amounts of money are at stake. Leaders must therefore seek to strike a balance between optimism and realism. To employ an overly optimistic financial manager can be as bad as taking on a too realistic sales manager. Leaders must also be able to strike a balance between the objectives and the predictions. Aggressive goals can often motivate the employees and thereby increase the chances of success. It requires, however, that forecasts are constructed using an outside perspective to determine what is initially worth investing in (Kahneman & Lovallo, 1993; Lovallo & Kahneman, 2003). Aggressive goals also need sufficient resources.

A related issue concerns the escalation of commitment (Staw, 1976; Staw & Ross, 1978). It is the tendency to repeat an apparently bad decision or allocate more resources to a failing course of action. Let’s say a leader of a private equity firm makes a decision to invest $ 2 million in a start-up venture. He personally argues for the investment against some skeptics in the firm. One year later, the CEO from the start-up appears in the leader’s office saying that the company is running out of cash and without additional funds the firm will definitely go under. The leader will then lose the $2 million. However, the good news is that if the leader invests another $1 million the CEO says he is confident that the problems will be worked out. The project will then still be a great success. In a situation like this the leader is likely to make the additional investment. Thus, he is willing to escalate his commitment (Bazerman, 2006). Consequently, an escalation of commitment often occurs in organizations where significant investment has been made in a project, but the decision makers do not want to go back on that decision and cancel the funding. Sometimes, this phenomenon is referred to as *the sunk-cost trap*. It is a bias to make present decisions in order to justify past choices. Even when the past choices no longer seem valid, leaders are too often unwilling to give them up. Some leaders would do anything but admit that they made a mistake and realize the loss. Organizations often make enormous efforts to improve the performance of an employee who should not have been hired in the first place. To let the person quit would be equal to acknowledging that past decisions and the associated investments in time or money would be irrecoverable. It has been suggested by Svenson (1992) that decision makers invest a lot of mental effort in consolidating their choices after they have been made. There are several measures management can take into account in order to remedy the escalation of commitment (Ahlstrom & Bruton, 2008). These measures include:

1. To separate decision choosers from decision evaluators.

2. To publicly establish a preset threshold.

3. To seek to avoid creating a failure-fearing culture that leads employees to perpetuate their mistakes.

4. To recognize that the source of escalation of commitment has deep psychological roots in our desire to protect our egos or prove to others that we are correct.

5. To look at the quality of decisions when people are rewarded.

To make sound leadership decisions under stress

In recent decades, flexibility has become a central concept in most organizations. Flexibility is *what* a leader is working with, *when* a leader is working, and what type of employment he or she has. By using flexibility you can allow a leader or an organization to create unfettered capacity to handle new situations. Futurists predict that managers will change jobs more and more times over a career than is the practice today. Nobody is expected to have − or even want − a lifetime employment with one employer. Many CEOs do not work more than three or four years for major international companies. During this period they are expected to do everything. The working day often involves 12−14 hours. To change jobs after a couple of years is stressful and may have health consequences. This is especially the case if you have not chosen to quit the job yourself. In the 70s there was talk of monotony and alienation. Today it may be appropriate to talk about the danger of having too much meaningful work. Some leaders who work unconstrained in relation to space and time might think that their work is more interesting than the life outside. It is important to remember that when the leader's work expands it is often at the expense of something else, such as family life or political activities. There is a danger in today's society that a conflict arises between the heated world of work and the slow world outside, where children and the elderly live in a completely different tempo.

Stress is a power issue in the sense that leaders must take power over their own lives. When leaders are able to balance their need for recovery both in their professional and personal lives, they also feel the power to control their situation. The power of one's life is also about the balance between responsibility and authority. If leaders feel that they have responsibilities that they cannot manage or have time for, the work environment must be permissive.

How much a leader is affected varies from individual to individual. The following factors can lead to negative stress:

Box starts here

1. High demands.
2. A lack of empowerment.
3. Poor support.
4. Too low requirements.
5. Unclear objectives
6. A lack of clear leadership.

11. Lack of time.
12. Lack of feedback and recognition.
13. Precarious employment.
14. Lack of influence.
15. Irregular working hours.
16. Lack of recovery.

7. Unclear roles

8. Unclear instructions.

9. Too much to do.

10. Too little to do.

15. Poor control over the own work situation.

16. Bullying, discrimination, and harassment.

Box ends here

There is research that indicates a clear link between leaders' stress tolerance and their ability to operate effectively (Bass, 1990; Howard & Bray, 1988). With the help of high stress tolerance, leaders are capable to adapt to the hectic environments, long hours and constant demands of the organization. Physical vitality and emotional strength make it easier for leaders to deal with stressful interpersonal situations, whether they involve superiors, colleagues or customers. Leaders often feel stressed by the pressure to make important decisions without having enough information. Role conflicts and incompatible needs may also be inherent in the decision situation. A leader must be able to retain his or her composure and ability to focus in order to solve problems effectively. It is usually not a good strategy to pretend that the problems do not exist or try to delegate them to someone else (Yukl, 2006) .

In a model launched by Karasek (1979) the control leaders possess in a decision situation is related to the psychological demands. The conclusion is that high psychological demands combined with a low degree of control in the decision situation leads to a high stress level that is harmful. When low psychological demands are combined with a high degree of control it leads to a low stress level. In case low psychological demands are accompanied by a low degree of control it leads to inaction. Finally, high psychological demands combined with a high degree of control leads to a stressful situation where the leader has the potential to develop. In the latter situation leaders are provided with an opportunity to deal with stressful situations by trying on different coping techniques. These are often based on self-control, a search for social support, an acceptance of responsibility, or a positive reappraisal.

Leaders sometimes feel that they are keen to avoid making decisions in case the stakes are high. But it is unfortunately part of the leadership role to make decisions. There can be many motives for a leader to make decisions. One important reason may be to demonstrate the ability to act, and another to solve the problem itself (Goffman, 1959). Not doing anything at all can often be perceived as the hardest choice because it can be interpreted as if the decision maker is trying to escape the problem. There is research showing that most leaders are experiencing stress in a choice situation where all options can be associated with potential losses (Janis & Mann, 1977). In other words, a conflict exists in the decision situation. As a rule, the more important a decision is, the more conflict and stress it contains.

There are some organizations that hire consultants to train their leaders in coping techniques which enable them to improve their ability to handle stress. Examples include relaxation techniques, communication techniques and conflict management techniques. Leaders are also trained to re-evaluate situations that they perceive lead to stress. Consultants can also analyze the leader's organization and suggest improvements in this area.

When bad decisions are made, it is usual for leaders to put the blame on stress. However, this is often a too simple explanation. There is research showing that stress does not necessarily lead to poorer management decisions (Klein, 1996). Some leaders must be able to work under constant stress in their professional capacity, such as fire officers, chief surgeons and chief pilots, etc. There have also been studies of masters of chess. These show that even under extreme time pressure, the ability to maintain a style of play on a master level does not change. The quality of the chess masters' decisions is not affected. It is therefore difficult to conclude that stress must lead to worse decisions (Klein, 1998).

Nevertheless, it is not difficult to understand that stressors have an effect on leaders' decisions. It has been shown that stress has an impact on how we make decisions. For instance, time pressure easily leads to a limited focus and to cognitive biases (Svenson & Maule, 1993). It also makes leaders have less access to external information sources (Chistensen & Kohls, 2003). Still, stress does not lead to poor decisions based on the information we have on hand. It can be safely said that stress reduces our ability to gather information and that it impairs our ability to analyze using the working memory. In addition, stress makes it harder for us to concentrate on a current task. If a leader's decision deteriorates, it is usually not because he or she has been blinded by stress. The reason is rather that the leader has not had time to gather all the relevant information. Experienced leaders know this and can adapt to time pressure by focusing on the most important variables in a decision situation and ignore the others (Klein, 1998).

To avoid problems with unstructured group decision making

Groupthink refers to a mode of thought whereby individuals intentionally and prematurely conform to what they perceive to be the consensus of the group and preference of the leader. It often results in incorrect group decisions that stems from the fact that team members put consensus above everything else. Groups who indulge Groupthink prefer consensus over decision quality. What is characteristic of this phenomenon is the lack of mental efficiency, reality testing and moral attitude which has its origin in peer pressure and strong cohesion. The pressure to reach consensus can get a team to ignore the information coming from outside. It also means that the members feel too sure of themselves, almost like they were invulnerable. External observers may have difficulties to measure symptoms of Groupthink. Rather, the fact is that most of the symptoms represent private feelings or perceptions that team members possess. There are three symptoms that have been shown to be central. Firstly, the group perceives itself to be larger than it actually is, due to the feelings of invulnerability and moral superiority. Secondly, team members may reveal a high degree of narrow-mindedness. This is often rooted in collective rationalizations and stereotypical perspectives taken on members outside the group. Bad decisions are likely to be rationalized. Thirdly, team members often develop an intolerant view towards dissenting views within the group. Outliers often encounter enormous social pressure. This leads to different group members holding back their reservations. They simply do not reveal their true feelings (Janis, 1972; Thompson, 2008).

Weaknesses arising from Groupthink can lead to several problems in decision making. These include not taking sufficiently into account the various alternatives, not considering well enough the various objectives, and not evaluating the decisions made. Other problems relate to the high degree of selectivity in the information gathering, lack of criticism of each other's ideas, lack of transparency in the early decision phase, poor communication with experts outside the group, and poor planning of emergency measures (Janis, 1972; Peterson, Owens, Tetlock, Fan, & Martorana, 1998; Thompson, 2008). Factors that could cause Groupthink are:

1. A strong cohesion of the group.

2. A homogeneous group composition.

3. An isolation of the group from other influences.

4. A lack of clear rules governing decision-making.

5. Stress.

6. A leadership that favors their own ideas.

There are a number of measures you can take to avoid Group think. Firstly, the team size must be adapted. Research shows that a team's size is positively correlated with the Group think phenomenon (McCauley, 1998). People have a tendency to hold back their opinions when the group size increases. Many feel an anguish to "appear" before an audience. As a rule of thumb, you can try to avoid creating teams with more than ten members.

Secondly, it is good if you can build procedures that enable the team to avoid losing face as a result of a bad decision. It applies in different ways to play down the team responsible for the decision if the results of it would be unfavorable (Turner, Probasco, Pratkanis, & Leve, 1992).

Thirdly, the team may use a so-called risk technique in order to minimize the problems with group think. The technology implies that a structured discussion is carried out so that team members may be instructed to talk about the dangers or risks they perceive. The goal is to create an atmosphere where team members can express doubts and criticism without fear of aggression or anger from the group. Often it is helpful if the leader is directed to remain neutral. An alternative way to work with this technique is to let a fasilitator play the role of "devil's advocate". This person can usefully be retrieved from outside the group since it often can be difficult for team members themselves to criticize their leaders' ideas. The research also shows that genuine criticism from a devil's advocate works better than the designed criticism that such an advocate emits (Nemeth, Connell, Rogers, & Brown, 2001; Schulz-Hardt, Jochim, & Frey, 2002). In a variation of this technology team members may imagine that they are representing other parties with an interest in the decision (Turner & Pratkanis, 1998). A larger group can be divided into sub-groups and discuss their differences and then report back. In some contexts it may be useful to work with various policy-making groups for different decision tasks.

Fourthly, you can work with a technique where the task of the team is to identify a second alternative to the chosen one. This technique improves the team's problem solving capacity and enhances its idea generation skill. It also has a positive impact on the team's ability to make high-quality decisions. A variant of this technique is to hold a "second-choice meeting" in which the team is given a chance to choose another direction.

Fifthly, it is important to avoid time pressure. Often it is easier for leaders to be guided by moral principles in decisions whose consequences will occur in the distant future. In a decision that has immediate consequences, leaders often compromise with their values. It is also true that the pressure from the environment generally is less if the consequences will occur far in the future. For this reason, time pressure may create leadership stress, which in turn may affect negatively the effectiveness of team decision making (Morgan & Bowers, 1995; Liberman & Tropen, 1998).

To cope with dilemmas in organizations

One of the hardest things a leader has to deal with is the navigation between goals which are in strong conflict with each other. What can be done is to first identify the overarching goals and then try to set a successful course. A common dilemma in organizations is that both top managers and middle managers want to decide and be seen as much as possible. In case the top leaders dominate too much, this has the negative consequence of blocking for others to speak. Of course, the top leadership must be dominant in its role in order to be able to implement change. However, it requires a full cadre of dedicated middle managers and team leaders to ensure that the measures taken are to be successful (Stewart, 2009).

Another dilemma is that the department managers on the one hand are expected to act independently while they on the other must have the ability to interact with each other as a team. Department managers may for example be mandated by the CEO to make decisions that transcend their budgets, respectively. But when they do so on a large scale, it is not unusual that these managers will be called up to the CEO and be told that they must act more as team players in a team (Stewart, 2009).

Many leaders feel that a dilemma also exists between a short-term and a long-term perspective on business. In larger organizations, the quarterly reports play a critical role for the stock price development. Several CEOs of these organizations do not hold their positions for more than about three to four years. During this period they are expected to generate a maximum return. A leader of one of the world's largest IT companies expressed it like this after a strategy meeting: “We have talked about the history and the future of the organization during the meeting, but outside this room a couple of security analysts are waiting, and the only thing they care about is next quarter” (Stewart, 2009).

There is also a dilemma between creativity and discipline in organizations. All department managers are expected to be entrepreneurial free-thinkers, but they must also comply with the budgeting and follow the management. This dilemma is particularly apparent in the management of R&D activities. Here, group members often compete with each other in order to produce the most creative ideas. This may create a situation where the department head must be in regular contact with management to get access to more resources. By this reason, all employees of an organization are not in reality allowed to be creative, because that would collapse the entire system. The innovative achievements of an organization may therefore be created in very small isolated units characterized by different standards compared with the rest of the organization, where discipline and efficiency govern.

There is also a dilemma which is reflected in the conflict between trust and change. Spontaneously, many may not perceive that there is a conflict between these phenomena, but there actually is, at least partially. The problem is that major organizational changes are often detrimental to the existing trust relationships. Old work groups are destroyed while new managers are installed with a new approach. Suddenly all are looking for who is number one. Even positive change can sometimes impair trust. At the same time all change requires trust (Stewart, 2009).

There is also a dilemma which is related to the conflict between productivity and human welfare. A leader must ensure that all employees will contribute 110% to the business, but the fact is that most employees, to be able to perform, are in need of a rich private life and a healthy work environment. At some companies dedicated engineers may work overtime each evening, if not stopped. This behavior may even occur if they are not paid extra money for their contribution. Thus, the force of intrinsic motivation can sometimes be devastating to individuals.

Finally, it is not unusual that there is a dilemma that reflects itself in a conflict between leadership and the ability to execute strategies. To be able to function, leaders of today must be able to deal with people and also sell visions. This skill differs a lot from the more technical ability that is needed in order to put these visions into action through various operations. Many leaders know that the best strategy in the world does not work if it is performed poorly. At the same time, a poor strategy that is implemented in a good way leads to a poor development being created earlier than it otherwise would have been.

What all these dilemmas have in common is the tension between control and independence. Here you have to strike the right balance between the two poles in each area. What leaders can do is to make self-assessments, area by area. In some dilemma situations, control is perhaps stressed too much, while in others the leadership attitude may be a little too loose. A leader must in addition be able to create meaning from contradictory signals and purposes. Suppose that the results of the latest customer poll show that some customers require so much service that they actually are unprofitable. Then, the leader must reflect on the results and create plans based on the insights that he or she has gained (Stewart, 2009).

Dilemma situations can often result in conflicts between different department managers. In this connection, the internal division of responsibilities and resources is a critical issue. It is important that the CEO can intervene promptly, so that the conflict between, for instance, two department managers does not spread to others. A good way to handle the situation for the CEO is to address each department manager individually and give his or her views on the matter without issuing any debt. Each party must then be given the chance to give his or her version of the story. The trick is for the CEO to listen objectively to these stories even if he or she does not share all the views. In the next step, the parties may meet and work together to resolve the problem by coming up with new solutions. In this context the CEO must emphasize that the aim of the discussion is not to determine who is right or wrong. The purpose of the discussion should instead be to help the team to function more harmoniously. As supreme leader, you can very well serve as a guide in this type of discussion. Nevertheless, you should make clear that it is the responsibility of both parties to reach an agreement.

Being able to build trust

To be able to trust normally means a positive expectation that others will not act opportunistically (Rousseau, Sitkin, Burt, & Camera, 1998). This means that trust relates to intimacy, familiarity and risk. To be able to host positive expectations about another person one must have knowledge of the other party. This may be acquired through historical experience based on a number of events. Such events can sometimes be limited in number.

The important thing is that they are relevant (Rotter, 1980). It will therefore take time to shape, build, maintain and strengthen trust. For many leaders, it can feel difficult to have confidence in someone you have just met and know nothing about. However, after a while you have come to know this new person, and the relationship matures. Then you can feel safe and develop positive expectations. To feel confident as a leader means to become vulnerable. This happens when you give out confidential information or rely on others' promises. Trust is not about risk in itself, but about the willingness to take risks (Mayer, Davis, & Schoorman, 1995). So when we trust someone, we expect that this person will not exploit the trust. There are five basic variables that influence whether a person has trust in another. These are integrity, competence, consistency, loyalty and openness (Schindler & Thomas, 1993). Also the ability to communicate is important.

Trust is a phenomenon that is closely associated with leadership. When the trust in a leader is broken, this can have serious consequences for a group's performance. There are several studies showing that both honesty and integrity are among the leadership characteristics that are valued the most. A very important part of a leader's job is to work with others to find and solve problems. It is therefore very important for leaders to have the trust of the employees. If not, leaders have trouble getting access to the knowledge and creative thinking that they need. Trust is therefore a leader's key to knowledge and cooperation (Zand, 1997). Employees find it difficult to look up to or follow a leader who they perceive as either dishonest or exploiting. It is for this reason that honesty is the trait that people put up among the qualities they appreciate most in a leader. Honesty is essential for all leadership. If employees are to follow a leader voluntarily, whether it be on the shop floor or in the boardroom, they must first satisfy themselves that the person in question is worthy of their trust (Kouzes & Posner, 1993).

There are mainly three types of trust in organizations. These are based on deterrence, knowledge, and identification (Shapiro, Sheppard, & Cheraskin, 1992; Child, 2001). The most fragile relationships are based on trust through deterrence. In such relationships, it is common that a violation or inconsistency can destroy the relationship. This form of trust is based on a fear of reprisals in case the trust is violated. In this type of relationship people do what they say they must do because of fear of what might otherwise happen. Most new relationships are based on deterrence. For example, an employee often relies on a new manager, even if he or she does not know much about him. This stems from the authority of the leader that is manifested in the power to punish in case employees do not fulfill their work-related duties (Robbins, 2005).

Another common form of trust in organizations is based on knowledge. To be able to predict how employees will behave, a leader must have access to a history of interaction. Such a history exists when there is enough information on the others in order for the leader to accurately predict their behavior. This knowledge evolves over time. The better you know someone, the easier it is to predict what he or she will do. This form of trust is not broken easily because of inconsistent behavior. If you feel that you adequately understand the other's behavior, you can accept it, forgive the person concerned, and continue the relationship. In most organizations, the relationship between managers and employees is based on knowledge. Both parties have enough experience with each other. Therefore we know what to expect from each other (Robbins, 2005).

Thirdly, there is trust based on identification in the organization. This is the highest form of trust, that is brought about when there is an emotional connection between the parties. It allows one party to act as an agent of the other and to act as a substitute for that party in interpersonal transactions. Trust exists because the parties understand each other's intentions as well as each other's needs. This mutual understanding can be developed to a level where one party can act effectively in the other’s place. Control is minimal at this level. Quite simply, you do not have to monitor the other party because there is a loyalty that cannot be questioned. An example of this form of trust is the married couple who has lived happily together for a long time. The man has learned what is important for the wife and therefore performs acts that demonstrate this without having to be asked. The woman, on her part, is confident that the man pre-empts what is important to her without having to be asked. A high degree of identification allows for one party to think like the other, feel as the other, and respond as the other. This form of trust only exists between persons who have known each other for a very long time and has deep experience in cooperating with each other. It is also this kind of trust that leaders need in a team. It happens that team members have such high confidence in each other that they know what is important for each other and can operate in each other's place if someone is absent. Unfortunately, this form of trust is not as common in larger organizations as it used to be. This is mainly because employment for life is less common today than what it used to be. Knowledge-based trust dominates in the larger organizations that exist today (Robbins 2005).

For many leaders it is central to know whether or not one holds enough trust. If you lack trust you may need to invest both time and energy in order to convince others of your proposals' excellence. This needs not be done if you have the necessary trust. It is therefore important for many leaders to work on trust-building strategies. The first thing to do is to live up to the social contracts which apply generally in organizations. Leaders simply must live up to their expectations. This can be done by setting limits, delegate tasks, keep promises and act consistently. For this reason it is important that leaders do not promise things that cannot be kept. Leaders should also make a rule to inform stakeholders about why they may be unable to take on certain tasks (Lines, Selart, Espedal, & Johansen, 2005).

From this follows that communication is important for a leader to be able to enjoy trust. Communication helps to create an environment of trust around leaders that allow them to lead more effectively, engage employees and deliver results. Leaders can use both formal and informal ways of communicating. There are several examples of good communication that may create trust. For instance, it is capital if a leader can share the information available to the employees. Furthermore, it is always good to tell the truth but also to show respect for employees. As a leader, you have to create transparency. In case trade-offs are productive they should be communicated openly and not be kept by the leaders themselves. Leaders should also admit their mistakes, and be able both to give and receive constructive feedback. The trick is to listen first. It is important for leaders to be able to communicate their expectations to the employees. If a leader has been served a trust, it is important to preserve this. Otherwise the trust will be lost. An important part of the trust-building communication is to be able to walk around and mingle with people and ask unconditional questions. Thus, it is important for leaders to recognize that you can't control the activity entirely from your desk. This is more or less impossible from a communications perspective (Lines, Selart, Espedal, & Johansen, 2005).

In order to create trust, it is important for leaders to engage in activities that enhance the building of competence among employees. Leaders must be able to assure themselves that their employees have access to the skills required to implement their decisions. Therefore, they can involve employees by allowing them to be included in the decisions (Lines, Selart, Espedal, & Johansen, 2005).

Conclusions

The chapter lists a number of techniques that leaders can use when having to predict the future under social pressure. One way to overcome this situation is to use the Delphi technique. It is a method in which a panel of experts may be subjected to a controlled debate. Its aim is to reach as realistic predictions as possible.

An alternative method is to work with scenarios. These can for example be as extreme as possible. With the help of scenario planning leaders can build different future worlds that allow them to associate the early signals with contextual events. A scenario simply creates a platform for communication about the future. With the help of various future scenarios, you can capture the fundamental uncertainties.

One problem with any future planning is that the leaders involved lose their realistic sense and become overly optimistic about their own projects. In such a case, the leaders are looking for clues in the environment that strengthen the project idea and ignore warning signals simultaneously. One method to remedy this is to adopt a so-called outside perspective. This means that leaders identify a reference class of similar past projects and study how these fell out. The next step is to place their own project in the distribution of results. In addition, leaders are bound to estimate the reliability of their own prediction, and correct their intuitive estimate.

Many leaders are daily exposed to stress when making decisions, and there are often social reasons for this. Social standards prescribe that a leader must be proactive and make decisions and not flee the situation. Conflicts in decision-making situations often create stress. The more important a decision is the more conflict and stress it contains as a rule. It is important for leaders to understand that it isn’t stress in itself that causes bad decisions. Rather, the time pressure that leaders face may stop them from gathering enough relevant information. Therefore, one way of overcoming stressful situations is to learn how to prioritize right.

In some situations, the leader chooses to relocate the decisions to his team. Then it is important to guard against Groupthink. Incorrect group decisions stem from the fact that the members of a team put consensus before anything else, as a result of peer pressure. A number of methods are presented that allow leaders to get rid of the phenomenon. These are based on various systematic ways to conjure up a self-critical climate in the team.

Often leaders find themselves in decision situations where they are forced to navigate between objectives that are in strong conflict with each other. We are talking about decision dilemmas. Top management often has a desire to control the activities, while at the same time wanting to give autonomy and independence to the various units. It is important for leaders to strike a balance here and understand how to manage conflicts the best when they arise.

In order for the leadership to get acceptance for its ideas the relationship with employees must be characterized by trust and respect. This can be achieved by working with concepts such as integrity, competence, consistency, loyalty and openness. Also the ability to communicate is important. There are different levels of trust in an organization. The highest level is characterized by the fact that you can identify with others, for instance, within team cooperation. However, everyday trust in organizations is largely based on public knowledge and awareness of others.

Checklist

1. Why is it sometimes appropriate to work with the Delphi technique?

2. What are the benefits of working with scenarios in the design of strategic decisions?

3. Why can over-optimism sometimes create a problem in strategic decision making? How can it help to take an outside perspective in order to remedy over-optimism?

4. How can you as a leader better cope with stress when making decisions?

5. What is Groupthink, and how can you as leader best avoid it?

6. How can you as a leader best deal with different dilemma situations when you make decisions, from a general point of view?

7. How can you as a leader build trust by making use of social contract, communication skills and supportive measures?

References

Abrahamson, E. (1996). Management fashion. *Academy of Management Review*, *21*, 254-285.

Ackoff, R. L. (1970). A concept of corporate planning. New York: Wiley

Adair, J. (2007). The art of creative thinking. London: Kogan Page.

Agor, W. H. (1991). The logic of intuition: How top executives make important decisions. In J. Henry (Ed.), Creative management. London: Sage Publications.

Ahlstrom, D., & Bruton, G. D. (2008). International management: Strategy and culture in the emerging world. Mason, OH: South-Western Cengage Learning.

Allwood, C.M., & Selart, M. (2010). *Decision Making: Social and Creative Dimensions*. Dordrecht: Springer.

Allwood, C. M., & Selart, M. (2001). Social and creative decision making. In Allwood, C. M., and Selart, M. (Eds.), *Decision Making: Social and Creative Dimensions*. Boston/Dordrecht: Kluwer Academic Publishers.

Alvesson, M. (1989). Ledning av kunskapsföretag. Stockholm: Norstedts förlag.

Alvesson, M. (2002). Understanding organizational culture. London: Sage Publications.

Amabile, T. (1996). Creativity in context. Boulder, CO: Westview – Harper Collins

Ancona, D. G., & Nadler, D. A. (1989). Top hats and executive tales: Designing the executive team. *Sloan Management Review, 3*, 19-28.

Anderson, L. E., & Balzer, W. K. (1991). The effects of timing on leaders’ opinions on problem-solving groups. *Group and Organizational Management, 16*, 86-101.

Argyris, C. (1991). Teaching smart people how to learn. *Harvard Business Review, 69*, 99-109.

Aronson, J., Cohen, G., & Nail, P. R. (1999). Self-affirmation theory: An update and appraisal. In E. Harmon-Jones and J. Mills (Eds.), Cognitive dissonance: Progress on a pivotal theory in social psychology. Washington DC: American Psychological Association.

Bacharach, S. B., et al. (1995). Strategic and tactical logics of decision justification: Power and decision criteria in organizations. *Human Relations, 48*, 447-488.

Balogun, J., & Johnson, G. (2004). Organizational restructuring and middle management sensemaking. *Organization Studies, 26*, 1573-1601.

Baltes, P. B., & Smith, J. (1990). Toward a psychology of wisdom and its ontogenesis. In R. J. Sternberg (Ed.), Wisdom: Its nature, origins, and development. Cambridge: Cambridge University Press.

Baltes, P. B., & Staudinger, U. M. (2000). A metaheuristic (pragmatic) to orchestrate mind and virtue toward excellence. *American Psychologist, 55*, 122-136.

Bantel, K. A., & Jackson, S. E. (1989). Top management and innovations in banking: Does the composition of the top team make a difference ? *Strategic Management Journal, 10,* 107-112.

Barker, J. R. (1993). Tightening the iron cage: Concertive control in self-managing teams. *Administrative Science Quarterly, 38*, 408-438.

Barney, J. B. (1991). Firm resources and sustained competitive advantage. *Journal of Management, 17*, 99-120.

Barney, J. B. (2007). Gaining and sustaining competitive advantage. Upper Saddle River, NJ: Prentice Hall.

Baron, J. (1993). Morality and rational choice. Dordrecht/Boston: Kluwer Academic Publishers.

Bartholome, F. (1989). Nobody trusts the boss completely: Now what? *Harvard Business Review*, *67*, 135-142.

Bass, B. M. (1990). Handbook of leadership: A survey of theory and research. New York: Free Press.

Bass, B. M. (1997). Does the transactional-transformational leadership paradigm transcend organizational and national boundaries? *American Psychologist, 52*, 130-139.

Bates, C. S. (1985). Mapping the environment: An operational environmental analysis model. *Long Range Planning, 18*, 97-107.

Bazerman, M. H. (2006). Judgment in managerial decision making. New York: Wiley.

Beach, L. R. (1997). The psychology of decision making: People in organizations. London: Sage Publications.

Bennis, W. G., & Nanus, B. (1985). *Leaders: The Strategies for Taking Charge*. New York: Harper & Row.

Beu, D. S., & Buckley, M. R. (2004). This is war: How the politically astute achieve crimes of obedience through the use of moral disengagement. *Leadership Quarterly, 14*, 551-568.

Bigelow, J. (1992). Developing managerial wisdom. *Journal of Management Inquiry, 1*, 143-153.

Blake, C. (2008). *The Art of Decisions: How to Manage in an Uncertain World*. London: Prentice Hall.

Blennberger, E. (2007). Etik & Ledarskap (Ethics and Leadership). Malmö: Liber.

Boal, K. B., & Hooijberg, R. (2001). Strategic leadership research: Moving on. *Leadership Quarterly, 11*, 515-549.

Bradford, D. L., & Cohen, A. R. (1984). *Managing for Excellence: The Guide to developing High Performance Organizations*. New York: Wiley.

Browne, M. (1993). Organizational decision making and information. Norwood, NJ: Ablex Publishing Corporation.

Brunsson, N. (1982). The irrationality of action and action rationality: Decisions, ideologies, and organizational actions. *Journal of Management Studies, 19*, 29-44.

Brunsson, N. (1985). The irrational organization: Irrationality as a basis for organizational action and change. New York: Wiley.

Brunsson, N. (1989). The organization of hypocrisy: Talk, decisions, and action in organizations. Chichester: Wiley.

Brunsson, N. (2007). The consequences of decision making. Oxford: Oxford University Press.

Bryman, A. (1996). Leadership in organizations. In S. R. Clegg, C. Hardy, and W.R. Nord (Eds.), Handbook of Organization Studies. London: Sage Publications.

Camerer, C. F., & Ho, T. H. (2001). Strategic learning and teaching. In S. J Hoch, H. C. Kunreuther, and R. E Gunther (Eds.), *Wharton on Making Decisions*. New York: Wiley.

Camerer, C., Loewenstein, G., & Prelec, D. (2004). Neuroeconomics: Why economics needs brains. *Scandinavian Journal of Economics, 106*, 555-579.

Camerer, C., Loewenstein, G., & Prelec, D. (2005). Neuroeconomics: How neuroscience can inform economics. *Journal of Economic Literature, 42*, 9-64.

Campbell, R. J. (1989). Human resource development strategies. In K. N. Wexley (Ed.), Developing human resources. Washington DC: Bureau of National Affairs.

Cannella, A. A., & Monroe, M. J. (1997). Contrasting perspectives on strategic leaders. Toward a more realistic view of top managers. *Journal of Management, 23*, 213-237.

Cannon-Bowers, J. A., Tannenbaum, S. I., Salas, E., & Volpe, C. E. (1995). Defining competencies and establishing team training requirements. In R. A. Guzzo and E. Salas (Eds.), Team effectiveness and decision making in organizations. San Francisco: Jossey-Bass.

Chao, G. T., Walz, P. M., & Gardner, P. D. (1992). Formal and informal mentorship. A comparison on mentoring functions contrasted with non-mentored counterparts. *Personnel Psychology, 45*, 619-636.

Child, J. (2001). Trust – The fundamental bond in global collaboration. *Organizational Dynamics, 29*, 274-288.

Christensen, S. L., & Kohls, J. (2003). Ethical decision making in times of organizational crisis: A framework for analysis. *Business and Society,* 42/3, 328-358.

Cialdini, R. B. (1993). Influence: Science and practice. New York: Harper Collins Publishers.

Clore, G. L., Wyer, R. S., Dienes, B., et al (2001). Affective feelings as feedback: Some cognitive consequences. In L. L. Martin and G. L. Clore (Eds.), Theories of mood and cognition: A user's handbook. Mahwah, NJ: Erlbaum.

Cohen, M. D., March, J. G., & Olsen, J. P. (1972). A garbage can model of organizational choice. *Administrative Science Quarterly, 17*, 1-25.

Cooper, A. C., Woo. C. Y., & Dunkelberg, W. C. (1988). Entrepreneurs' perceived chances for success. *Journal of Business Venturing, 3,* 97-109.

Coyle, G. (2004). Practical strategy: Structured tools and techniques. Harlow: Prentice Hall.

Cyert, R. N., & March, J. G. (1963). A behavioral theory of the firm. Englewood Cliffs, NJ: Prentice-Hall.

Daft, R. L., & Weick, K. E. (1984). Toward a model of organizations as interpretation systems. *Academy of Management Review, 9*, 284-295.

Dahrendorf, R. (1959). Class and class conflict in industrial society. Stanford: Stanford University Press.

Dane, E., & Pratt, M. G. (2007). Exploring intuition and its role in manegerial decision making. *Academy of Management Review, 32*, 33-54.

Daniels, K. (2008). Affect and information processing. In G. P. Hodgkinson and W. H. Starbuck (Eds.), The Oxford handbook of organizational decision making. Oxford: Oxford University Press.

Das, T. K., & Teng, B. S. (1999). Cognitive biases and strategic decision processes: An integrative framework. *Journal of Management Studies*, *36,* 757-778.

Day, D. V. (2000). Leadership development: A review in context. *Leadership Quarterly, 11,* 581-613.

Deal, T. E., & Kennedy, A. A. (1982). *Corporate Culture: The Rites and Rituals of Corporate Life*. Harmondsworth: Penguin.

De Bono, E. (1971). Lateral thinking for management. New York: McGraw-Hill.

Debons, A., King, W. K., Mansfield, U., & Shirey, D. L. (1981). The information profession: Survey of an emergent field. New York: Dekker.

De Leede, J., Nijhof, A. H. J., Fisscher, O. A. M. (1999). The myth of self-managing teams: A reflection on the allocation of responsibilities between individuals, teams, and the organization. *Journal of Business Ethics*, *21*, 203-216.

Dollinger, M. J. (1984). Environmental boundary spanning and information processing effects on organizational performance. *Academy of Management Journal, 27*, 351-368.

Donnellon, A. (1996). Team talk: Boston: Harvard Business School Press.

Dotlich, D. L., & Cairo, P. C. (1999). Action coaching: How to leverage individual performance for company success. San Francisco: Jossey-Bass.

Dreher, G. F., & Ash, R. A. (1990). A comparative study of mentoring among men and women in managerial, professional, and technical positions. *Journal of Applied Psychology, 75*, 539-546.

Drucker, P. F. (1995). Managing in a time of change. New York: Penguin.

Dutton, J. E. (1993). Interpretation on automatic: A different view of strategic issue diagnosis. *Journal of Management Studies, 30*, 339-357.

Dutton, J. E. (1996). Strategic agenda buildning in organizations. In Z. Shapira (Ed.), Organizational decision making. Cambridge: Cambridge University Press.

Edmondson, A. C., Roberto, M. A., & Watkins, M. D. (2003). A dynamic model of top management team effectiveness: managing unstructured task streams. *Leadership Quarterly, 14*, 297-325.

Eek, D., & Selart, M. (2009) The choice between allocation principles: Amplifying when equality dominates. *International Journal of Psychology*, 44**,** 109-119.

Eflin, J. (2003). Epistemic presuppositions and their consequences. *Metaphilosophy, 34*, 48-67.

Elsbach, K. D., & Barr, P. S. (1999). The effects of mood on individual's use of structured decision protocols. *Organizational Science, 10*, 181-198.

Eisenstat, R. A., & Cohen, S. G. (1990). Summary: Top management groups. In J. R. Hackman (Ed.), *Groups that work (and those who don't)*. San Francisco: Jossey-Bass.

Eneroth, B. (1992). Att handla på känn: Om intuition i professionell verksamhet. Stockholm: Natur och kultur.

Etzioni, A. (1964). Modern organizations. Englewood Cliffs, NJ: Prentice-Hall.

Etzioni, A. (1985). Guidance rules and rational decision making. *Social Science Quarterly, 66*, 755-769.

Etzioni, A. (1986). Mixed scanning revisited. *Public Administration Review, 46*, 8-14.

Fagenson, E. A. (1989). The mentor advantage: Perceived career/job experiences of protégés versus non-protégés. *Journal of Organizational Behavior*, *10*, 309-320.

Feldman, S. P. (1988). Secrecy, information, and politics: An essay on organizational decision making. *Human Relations, 41*, 73-90.

Ferris, G. R., & Kacmar, K. M. (1992). Perceptions of organizational politics. *Journal of Management, 18*, 93-116.

Finkelstein, S., & Hambrick, D. C. (1996). *Strategic Leadership: Top Executives and their effects on Organizations*. St. Paul MN: West

Fisher, R., Ury, W., & Patton, B. (1981). Getting to yes. Boston: Houghton Mifflin.

Fiske, S. T. (1992). Thinking is for doing: Portraits of social cognition from daguerreotype to laserphoto. *Journal of Personality and Social Psychology, 63*, 877-889.

Floyd, S., & Wooldridge, B. (1992). Middle management involvement in strategy and its association with strategic type: A research note. *Strategic Management Journal, 13*, 153-167.

Floyd, S., & Wooldridge, B. (1997). Middle management's strategic influence and organizational performance. *Journal of Management Studies, 34*, 465-485.

Frost, P. J., Moore, L. F., Louis, M. R., Lundberg, C. C., & Martin, J. (1991). *Reframing Organnizational Culture*. London: Sage.

Gabarro, J. J. (1985). When a new manager takes charge. *Harvard Business Review, 63*, 116.

Gannon, M. J., Smith, K. G., & Grimm, C. (1992). An organizational information.processing profile of first movers. *Journal of Business Research, 25*, 231-241.

Ganster, D. C. (2005). Executive job demands: Suggestions from a stress and decision-making perspective. *Academy of Management Review, 30*, 492-502.

Gärling, T., Karlsson, N., Romanus, J., & Selart, M. (1997). Influences of the past on choices of the future. (pp. 167-189). In Ranyard, R., Crozier, W. R., & Svenson, O. (Eds.). *Decision Making: Cognitive models and explanations*. New York: Routledge.

Gärling, T., Karlsson, N., & Selart, M. (1999). The role of mental accounting in everyday economic decision making (pp. 199-218). In P. Juslin, and H. Montgomery (Eds.), *Judgment and Decision Making*. Hillsdale, NJ. Erlbaum.

Giddens, A. (1993). The constitution of society. Cambridge: Polity Press.

Gigerenzer, G. (2007). Gut feelings: The intelligence of the unconscious. London: Penguin Books.

Gigerenzer, G., & Hoffrage, U. (1995). How to improve Bayesian reasoning without instructions: Frequency formats: *Psychological Review, 102*, 684-704.

Gigerenzer, G., Todd, P. M., & the ABC Research Group. (1999). *Simple Heuristics that make us Smart*. New York: Oxford University Press.

Gilbert, D. T. (2002). Inferential correction. In T. Gilovich, D. Griffin, & D. Kahneman (Eds.), Heuristics and biases: The psychology of intuitive judgment. Cambridge: Cambridge University Press.

Gillholm, R., Ettema, D., Selart, M., & Gärling, T. (1999). The role of planning for intention-behavior consistency. *Scandinavian Journal of Psychology, 40,* 241-250.

Gini, A. (1998). Moral leadership and business ethics. In J. B. Ciulla (Ed.), *Ethics, The Heart of Leadership*. Westport CT: Greenwood Publishing.

Ginsberg, A., & Abrahamson, E. (1991). Champions of change and strategic shifts: The role of internal and external change advocates. *Journal of Management Studies, 28,* 173-190.

Gioia, D. A., & Chittipeddi, K. (1991). Sensemaking and sensegiving in strategic change initiation. *Strategic Management Journal, 12,* 433-448.

Goffman, E. (1959). The presentation of self in everyday life. Harmondsworth: Penguin.

Gordon, W. J. (1961). Synectics. New York: Harper and Row.

Grønhaug, K., & Falkenberg, J. (1990). Organizational success and success criteria: Conceptual issues and an empirical illustration. *Scandinavian Journal of Management, 6*, 267-284.

Grønhaug, K., Hellesøy, O., & Kaufmann, G. (2006). Ledelse i teori og praksis. Bergen: Fagbokforlaget.

Guzzo, R. A., & Dickson, M. W. (1996). Teams in organizations: Recent research on performance of effectiveness. *Annual Review of Psychology, 47*, 307-338.

Hackman, J. R. (1983). A normative model of work team effectiveness (Tech. Rep. No. 2). New Haven, CT: Yale School of Organization and Management Research Program on Group Effectiveness.

Hackman, J. R. (1987). The design of work teams. In J. Lorch (Ed.), Handbook of organizational behavior. Englewood Cliffs, NJ: Prentice-Hall.

Hall, D. T., Otazo, K. L., & Hollenbeck, G. P. (1999). Behind closed doors: What really happens in executive coaching. *Organizational Dynamics*, *29*, 39-53.

Hambrick, D. C. (1982). Environmental scanning and organizational strategy. *Strategic Management Journal, 3,* 159-174.

Hambrick, D. C., & Finkelstein, S. (1987). Managerial discretion: A bridge between polar views of organizational outcomes. In L. L. Cummings andd B. M. Staw (Eds.), *Research in Organizational Behavior, Vol. 9*. Greenwich CT: JAI Press.

Hambrick, D. C., Finkelstein, S., & Mooney, A. C. (2005). Executive job demands: New insights for exploring strategic decisions and leader behaviors. *Academy of Management Review, 30*, 472-491.

Hambrick, D. C., & Mason, P. (1984). Upper echelons: The organization as a reflection of its top managers. *Academy of Management Review, 9,* 193-206.

Hannan, M., & Freeman, J. (1984). Structural inertia and organizational change. *American Sociological Review, 49*, 149-164.

Hansen, M. T., Nohria, N., & Tierney, T. (1999). What's your strategy for managing knowledge? *Harvard Business Review, 77*, 106-116.

Hardaker, M., & Ward, B. K. (1987). How to make a team work. *Harvard Business Review, 65*, 112-118.

Hare, P. A. (1994). Individual versus group: In P. A. Hare, H. H. Blumberg, M. F. Davies and M. V. Kent (Eds.), Small group research: A handbook. Norwood, NJ: Ablex

Harrison, F. E. (1999). *The Managerial Decision-Making Process*, Boston: Houghton Mifflin Company.

Harrison, J. S., & Freeman, R. E. (2004). Democracy in and around organizations: Is democracy worth the effort ? *Academy of Management Executive, 18*, 49-53.

Heath, C., & Gonzalez, R. (1995). Interaction with others increase decision confidence but not decision quality: Evidence against information collection views of interactive decision making. *Organizational Behavior and Human Decision Processes, 61*, 305-326.

Hedelin, L., & Allwood, C. M. (2001). Managers' strategic decision processes in large organizations. In C. M. Allwood and M. Selart (Eds.), Decision making: Social and creative dimensions. Boston: Kluwer Academic Publishers.

Heifetz, R. (1994). *Leadership without Easy Answers*. Cambridge: MA. Belnap Press of Harvard University Press.

Heller, F. (1992). Decision making and leadership. Cambridge: Cambridge University Press.

Heller, R. (1998). Making decisions. New York: DK Publishing Inc.

Hersey, P., Blanchard, K. H., & Johnson, D. E. (2008). Management of organizational behavior. Upper Saddle River, NJ: Prentice Hall.

Hicks, M. J. (1991). Problem solving in business and management. London: Chapman & Hall.

Hickson, D., & Miller, S. (1992). Concepts of decisions: Making and implementing strategic decisions in organizations. In F. Heller (Ed.), Decision Making and Leadership. Cambridge: Cambridge University Press.

Hitt, M. A., & Tyler, B. B. (1991). Strategic decision models: Integrating different perspectives. *Strategic Management Journal, 12,* 327-352.

Hjertø, K. B. (2004). Teamledelse. In Ø. L. Martinsen (Ed.), Perspektiver på ledelse. Oslo: Gyldendal Akademisk.

Hoch, S. J. (2001). Combining models with intuition to improve decisions. In S. J Hoch, H. C. Kunreuther, and R. E Gunther (Eds.), *Wharton on Making Decisions*. New York: Wiley.

Hodgkinson, G. P., & Sparrow, P. R. (2002). The competent organization. Buckingham: Open University Press.

Hodgkinson, G. P., & Starbuck, W. H. (2008). Organizational decision making: Mapping terrains on different planets. In G. P. Hodgkinson and W. H. Starbuck (Eds.), The Oxford handbook of organizational decision making. Oxford: Oxford University Press.

Hofstede, G (1991). Culture and organizations: Software of the mind. New York: McGraw & Hill.

Holmes, F. L. (1985). Lavoisier and the chemistry of life: An exploration of scientific creativity. Madison, WN: University of Wisconsin Press.

Howard, A., & Bray, D. W. (1988). Managerial lives in transition: Advancing age and changing time. New York: Guilford Press.

Hrebeniak, L. G. (2005). Making strategy work: Leading effective execution and change.Upper Saddle River, NJ: Pearson Education.

Hrebeniak, L. G., & Joyce, W. F. (1984). Implementing strategy. New York: Macmillan Publishing Company.

Huber, G. P., & Daft, R. L. (1987). The information environments of organizations. In F. M. Jablin, L. L. Putnam, K. H. Roberts, & L. W. Porter (Eds.), Handbook of organizational communication. London: Sage Publications.

Hughes, G. J. (2001). Aristotle on ethics. London: Routledge.

Ilgen, D. R., Hollenbeck, J. R., Sego, D. J., & Major, D. A. (1993). Team research in the 1990s. In M. M. Chemers and R. Ayman (Eds.), Leadership theory and research; Perspectives and directions. San Diego, CA: Academic Press.

Irwin, J., & Baron, J. (2001). Values and decisions. In S. J Hoch, H. C. Kunreuther, and R. E Gunther (Eds.), *Wharton on Making Decisions*. New York: Wiley.

Isenberg, D. J. (1984). How senior managers think. *Harvard Business Review, 6,* 80-90.

Isenberg, D. J. (1991). How senior managers think. In J. Henry (Ed.), Creative management. London: Sage Publications.

Jacobs, W. (1994). Real time strategic change: How to involve an entire organization in fast and far-reaching change. San Francisco: Berrett-Koehler.

Jacobsen, D. I. (2008). Organisasjonsendringer og endringsledelse. Bergen: Fagbokforlaget.

Janis, I. L. (1972). Victims of groupthink. Boston: Houghton Mifflin.

Janis, I. L., & Mann, L. (1977). Decision making. A psychological analysis of conflict, choice, and commitment. New York: Free Press.

Jennings, D. F, & Lumpkin, J. R. (1989). Insight into the relationship between strategic momentum and environmental scanning: An empirical analysis. *Akron Business & Economic Review (ABER), 20*, 84-93.

Jennings, D., & Wattam, S. (1994). Decision making: An integrated approach. London: Pitman Publishing.

Johannessen, J-A., Olaisen, J., & Olsen, B. (1999). Managing and organizing innovation in the knowledge economy. *European Journal of Innovation Management, 2,* 116-128.

Jones, M. L. (1990). Action learning as a new idea. *Journal of Management Development, 9*, 29-34.

Jung, D. I., & Avolio, B. J. (1999). Effects of leadership style and followers' cultural orientation on performance in group and individual task conditions. *Academy of Management Journal, 42,* 208-218.

Kacmar, K. M., & Baron, R. A. (1999). Organizational politics: The state of the field, links to related processes, and an agenda for future research. In G. R. Ferris (Ed.), Research in personnel and human resources management, Vol. 17. Stamford, CT: JAI Press.

Kahneman, D. (2003). A perspective on judgment and choice: Mapping bounded rationality. *American Psychologist, 58,* 697-720.

Kahneman, D., & Lovallo, D. (1993). Timid choices and bold forecasts: A cognitive perspective on risk and risk taking. *Management Science, 39*, 17-31.

Kahneman, D., & Tversky, A. (1979). Prospect Theory: An analysis of decision under risk. *Econometrica, 47,* 263-291.

Kanter, R. M., Stein, B. A., & Jick, T. D. (1992). The challenge of organizational change. New York: The Free Press.

Kaplan, R. E., Kofodimos, J. R., & Drath, W. H. (1987). Development at the top: A review and a prospect. In W Pasmore and R. W. Woodman (Eds.), Research on organizational change and development. Greenwich CT: JAI Press.

Karasek, R. A. (1979). Job demands, job decision latitude, and mental strain: Implications for job design. *Administrative Science Quarterly, 24*, 285-308.

Karlsson, N., Gärling, T., & Selart, M. (1997). Effects of mental accounting on intertemporal choice. *Göteborg Psychological Reports, 27*, No 5.

Karlsson, N., Gärling, T., & Selart, M. (1997). Explanations of effects of prior outcomes on intertemporal choice. *Göteborg Psychological Reports, 27*, No 4.

Karlsson, N., Gärling, T., & Selart, M. (1999). Explanations of effects of prior income changes on bying decisions. *Journal of Economic Psychology, 4,* 449-463.

Kasperson, J. X., Kasperson, R. E., Pidgeon, N., & Slovic, P. (2003). The social amplification of research. In N. Pidgeon, R. E. Kasperson, and P. Slovic (Eds.), The social amplification of risk. Cambridge: Cambridge University Press.

Katz, D., & Kahn, R. L. (1978). *The Social Psychology of Organizations*. New York: Wiley.

Katzenbach, J. R., & Smith, D. K. (1993). The wisdom of teams. London: McGraw-Hill Publishing Company.

Keck, S., & Tushman, M. (1993). Environmental and organizational context and executive team structure. *Academy of Management Journal, 36*, 1314-1344.

Khatri, N., & Ng, A. (2000). The role of intuition in strategic decision making. *Human Relations, 53*, 57-86.

Kilburg, R. R. (1996). Toward a conceptual understanding and definition of executive coaching. *Consulting Psychology Journal: Practice and Research, 48*, 134-144.

Klein, G. (1996). The effect of acute stressors on decision making. In J. E. Driskell and E. Salas (Eds.), *Stress and Human Performance*. Hillsdale, NJ: Erlbaum.

Klein, G. (1998). *Sources of Power: How People Make Decisions*. Cambridge, MA: MIT Press.

Klein, G. (2003). *Intuition at Work*. New York: Bantam Dell

Kleindorfer, P. R. (2001). Decision making in complex environments: New tools for a new age. In S. J Hoch, H. C. Kunreuther, and R. E Gunther (Eds.), *Wharton on Making Decisions*. New York: Wiley.

Kohlberg, L. (1984). *The Psychology of Moral Development*. New York: Harper and Row.

Korsgaard, M. A., Schweiger, D. M., & Sapienza, H. J. (1995). Building commitment, attachment, and trust in strategic decision making: The role of procedural justice. *Academy of Management Journal, 38,* 60-84.

Kotter, J. P. (1982). The general managers. New York: Free Press.

Kotter, J. P. (1988). The leadership factor. New York: The Free Press.

Kotter, J. P. (1996) *Leading Change*. Boston: Harvard Business School Press.

Kouzes, J. M., & Posner, B. Z. (1993). *Credibility: How Leaders Gain and Lose it, why People Demand it*. San Francisco: Jossey-Bass.

Kovach, B. E. (1986). The derailment of fast-track managers. *Organizational Dynamics, 15*, 41-48.

Kovach, B. E. (1989). Successful derailment: What fast-trackers can learn while they're off the track. *Organizational Dynamics, 18,* 33-47.

Kram, K. E. (1985). Mentoring at work: Developmental relationships in organizational life. Glenview IL: Scott Foresman.

Kram, K. E., & Hall, D. T. (1989). Mentoring as an antidote to stress during corporate trauma. *Human Resource Mangement, 28,* 493-510.

Kuvaas, B. (2002). An exploration of two competing perspectives on informal contexts in top management strategic issue interpretation. *Journal of Management Studies, 39,* 979-1003.

Kuvaas, B., & Selart, M. (2004). Effects of attribute framing on cognitive process and evaluation. *Organizational Behavior and Human Decision Processes, 95*, 198-207.

Lant, T. K., & Shapira, Z. (2001). Introduction: Foundations of research on cognition in organizations. In T. K. Lant and Z. Shapira (Eds.), Organizational cognition: Computation and interpretation. Mahwah, NJ: Lawrence Erlbaum Associates.

Larrick, R. P. (2004). Debiasing. In J. Koehler & N. Harvey (Eds.) *Blackwell Handbook of Judgment and Decision Making*. Oxford: Blackwell Publishers.

Lee, W. S., & Selart, M. (2011). The impact of emotions on trust decisions. In K. O. Moore and N. P. Gonzales (Eds.), *Handbook on Psychology of Decision-Making*. Hauppage, NY: Nova Science Publishers.

Lerner, J. S., Small., & Loewenstein, G. (2004). Heart strings and purse strings: Carryover effects of emotions on economic transactions. *Psychological Science, 15*, 337-341.

Liberman, N., & Trope, Y. (1998). The role of feasibility and desirability considerations in near and distant decisions: A test of temporal construal theory. *Journal of Personality and Social Psychology, 75*, 5-18.

Lindblom, C. E. (1988). Democracy and market system. Oslo: Universitetsforlaget.

Lines, R., Selart, M., Espedal, B., & Johansen, S. T. (2005). The production of trust during organizational change. *Journal of Change Management, 5*, 221-245.

London, M., & Maurer, T. J. (2004). Leadership development: A diagnostic model for continuous learning in dynamic organizations. In J. Antonakis, A. T. Cianciolo and R. J. Sternberg (Eds.), The nature of leadership. London: Sage Publications.

London, M., & More, E. M. (1987). Career management and survival in the workplace. San Francisco: Jossey-Bass.

Lovallo, D., & Kahneman, D. (2003). Delusions of success – How optimism undermines executives' decisions. *Harvard Business Review, 7,* 56-63.

Lubart, T. I., & Sternberg, R. J. (1995). An investment approach to creativity: Theory and data. In S. S. Smith, T. B. Ward, & R. A. Finke (Eds.), The creative cognition approach. Cambridge, MA. MIT Press.

Luce, M. F., Payne, J. W., & Bettman, J. R. (2001). In S. J Hoch, H. C. Kunreuther, and R. E Gunther (Eds.), *Wharton on Making Decisions*. New York: Wiley.

Lukes, S. (1986). Power. Oxford: Blackwell.

Lyles, M. A., & Thomas, H. (1988). Strategic problem formulation: Biases and assumptions embedded in alternative decision-making models. *Journal of Management Studies, 25,* 131-145.

Madison, D. L., et al. (1980). Organizational politics: An exploration of managers' perceptions. *Human Relations, 33*, 79-100.

Mahoney, T. A. (1988). Productivity defined: The relativity of efficiency, effectiveness, and change. In J. P. Cambbell, R.J. Cambell et al. (Eds.), Productivity in organizations. San Francisco: Jossey-Bass.

Malan, L-C., & Kriger, M. P. (1998). Making sense of managerial wisdom. *Journal of Management Inquiry, 7*, 242-251.

Malhotra, D., & Bazerman, M. H. (2007). Negotiating genius. New York: Bantam.

Manz, C. C. (1992). Mastering self-leadership. Empowering yourself for personal excellence. Englewood Cliffs, NJ: Prentice-Hall.

Manz, C. C., & Manz, K. P. (1991). Strategies for facilitating self-directed learning. A process for enhancing human resource development. *Human Resource Development Quarterly, 2*, 3-12.

March, J. G. (1971). The technology of foolishness. *Civiløkonomen* (Copehhagen), 18/4: 4-12.

March, J. G. (1991). Exploration and exploitation in organizational learning. *Organization Science, 2,* 71-87.

March, J. G. (1994). *A Primer on Decision Making: How Decisions Happen*. New York: The Free Press.

March, J. G. (1997). Understanding how decisions happen in organizations. In Z. Shapira (Ed.), Organizational decision making. Cambridge: Cambridge University Press.

March, J. G. (1999). *The Pursuit of Organizational Intelligence*. Oxford: Blackwell

March, J. G., & Shapira, Z. (1987). Managerial perspectives on risk and risk taking. *Management Science, 33,* 1404-1418.

March, J. G., & Simon, H. A. (1958). Organizations. New York: Wiley.

Margerinson, C. J. (1988). Action learning and excellence in management development. *Journal of Management Development, 7,* 43-54.

Martinsen, Ø. L. (2004). Perspektiver på ledelse. Oslo: Gyldendal.

Maule, A. J. (2008). Risk communication in organizations. In G. P. Hodgkinson and W. H. Starbuck (Eds.), The Oxford handbook of organizational decision making. Oxford: Oxford University Press.

Mayer, R. C., Davis, J. H., & Schoorman, F. D. (1995). An integrative model of organizational trust. *Academy of Management Review, July,* 709-734.

McCall, M. W, & Kaplan, R. E. (1990). Whatever it takes: The realities of managerial decision making. Upper Saddle River, NJ: Prentice Hall.

McCall, M. W., Lombardo, M. M., & Morrison, A. M. (1988). The lessons of experience: How successful executives develop on the job. Lexington, MA: Lexington Books.

McCauley, C. (1998). Groupthink dynamics in Janis's theory of groupthink: Backward and forward. *Organizational Behavior and Human Decision Processes, 73*, 142-162.

McCauley, C. (2001). Leader training and development. In S. J Zaccaro and R. J. Klimoski (Eds.), The nature of organizational leadership. San Francisco: Jossey-Bass.

McCauley, C. D. , & Douglas, C. A. (1998). Developmental relationships. In C. D. McCauley, R. S. Moxley, and E. Van Velsor (Eds.), The center for creative leadership handbook of leadership development. San Francisco: Jossey-Bass.

McClelland, D. C. (1999). Human motivation. Cambridge: Cambridge University Press.

McKenna, B., Rooney, D., & Boal, K. B. (2009). Wisdom principles as a meta-theoretical basis for evaluating leadership. *Leadership Quarterly, 20*, 177-190.

McMackin, J., & Slovic, P. (2000). When does explicit justification impair decision making? *Applied Cognitive Psychology, 14*, 527-541.

Meindl, J. R., Ehrlich, S. B., & Dukerich, J. M. (1985). The romance of leadership. *Administrative Science Quarterly, 30*, 78-102.

Meyerson, D. E., & Martin, J. (1987). Cultural change: An integration of three different views. *Journal of Management Studies, 24*, 623-647.

Milliken, F. J., & Vollrath, D. A. (1991). Strategic decision-making tasks and group effectiveness: Insights from theory and research on small group performance. *Human Relations, 44*, 1229-1253.

Mintzberg, H. (1973). *The Nature of Managerial Work*. New York: Harper & Row.

Mintzberg, H. (1975). The manager's job: Folklore and fact. *Harvard Business Review, 53,* 49-71.

Mintzberg, H. (1979). *The Structuring of Organizations*. Englewood Cliffs, NJ: Prentice Hall

Mintzberg, H. (1983). *Power in and around Organizations*. Englewood Cliffs, NJ. Prentice Hall.

Mintzberg, H., Raisinghani, D., & Théorét, A. (1976). The structure of unstructured decision processes. *Administrative Science Quarterly, 21*, 246-275.

Montgomery, H. (1983). Decision rules and the search for a dominance structure: Towards a process model of decision making. In P. Humphreys, O. Svenson, and A. Vari (Eds.), Analyzing and aiding decision processes. Amsterdam: North-Holland.

Montgomery, H., Gärling, T., Lindberg, E., & Selart, M. (1990). Preference judgments and choice: Is the prominence effect due to information integration or information evaluation? In K. Borcherding, O. Larichev., & D. M. Messick (Eds.), *Contemporary Issues in Decision Making*. Amsterdam: North-Holland.

Montgomery, H., Selart, M., Gärling, T., & Lindberg, E. (1994). The judgment-choice discrepancy: Non-compatibility or restructuring? *Journal of Behavioral Decision Making, 7,* 144-155.

Morgan, B. B., & Bowers, C. A. (1995). Teamwork stress: Implications for team decision making. In R. A. Guzzo & E. Salas (Eds.), Team effectiveness and decision making in organizations. San Francisco: Jossey-Bass.

Morgan, G. (1997). *Images of Organization*. London: Sage

Moore, D. A., Kurtzberg, T. R., Fox, C. R., & Bazerman, M. H. (1999). Positive illusions and forecasting errors in mutual fund investment decisions. *Organizational Behavior and Human Decision Processes, 79,* 95-114

Mumford, M. D., Gessner, T. L., Connelly, M. S., O'Connor, J. A., & Clifton, T. C. (1993). Leadership and destructive acts: Individual and situational influences. *Leadership Quarterly, 4,* 115-147.

Mussweiler, T., Strack, F., & Pfeiffer, T. (2000). Overcoming the inevitable anchoring effect: Considering the opposite compensates for selective accessibility. *Personality and Social Psychology Bulletin, 26,* 1142-1150.

Nadler, D. A. (1988). Organizational frame bending: Types of change in the complex organization. In R. H. Kilmann and T. J Covin (Eds.), *Corporate Transformation: Revitalizing Organizations for a Competitive World*. San Francisco: Jossey-Bass

Nadler, D. A., & Tushman, M. L. (1990). Beyond the charismatic leader: Leadership and organizational change. *California Management Review, Winter*, 77-97.

Nanus, B. (1992). Visionary Leadership: *Creating a Compelling Sense of Direction for your Organization*. San Francisco: Jossey-Bass.

Narchal, R. M., Kittappa, K., & Bhattacharya, P. (1987). An environmental scanning system for business planning. *Long Range Planning, 20*, 96-105.

Neill, T., & Mindrum, C. (2000). Human performance that increase business performance: The growth of change management and its role in creating new forms of business value. In M. Beer and N. Nohria (Eds.), *Breaking the code of change*. Boston: Harvard Business School Press.

Nemeth, C., Connell, J., Rogers, J., & Brown, K. (2001). Devil's advocate versus authentic dissent: Simulating quantity and quality. *European Journal of Social Psychology, 31*, 707-720.

Nobel, C. (1999). The eclectic roots of strategy implementation research. *Journal of Business Research, 45*, 119-134.

Noe, R. A. (1988). An investigation of the determinants of successful assigned mentoring relationships. *Personnel Psychology, 41*, 457-479.

Noe, R. A. (1991). Mentoring relationships for employee development. In J. W. Jones, B. D. Steffy and D. W, Bray (Eds.), Applying psychology in business: The managers handbook. Lexington MA: Lexington Press.

Nutt, P. C. (1986). Tactics of implementation. *Strategic Management Journal, 10*, 230-261.

Nutt, P. C. (2002). Why decisions fail: Avoiding the blunders and traps that lead to debacles. San Francisco: Berrett-Koehler Publishers.

Oberholzer-Gee, F. (2001). Learners or lemmings: The nature of information cascades. In S. J Hoch, H. C. Kunreuther, and R. E Gunther (Eds.), *Wharton on Making Decisions*. New York: Wiley.

O'Connor, J. A., Mumford, M. D., Clifton, T. C., Gessner, T. L., & Connelly, M. S. (1995). Charismatic leaders and destructiveness: A historiometric study. *Leadership Quarterly, 6*, 529-555.

Paulus, P. B., & Yang, H. C. (2000).Idea generation in groups.: A basis for creativity in organizations. *Organizational Behavior and Human Decision Processes, 82*, 76-87.

Payne, J. W., Bettman, J. R., & Johnson, E. J. (1992). Behavioral decision research: A constructive processing perspective. *Annual Review of Psychology, 43*, 87-131.

Pedersen, L. J. T. (2009). Making sense of sensitivity: Moral sensitivity and problem formulation in business. Doctoral dissertation. Bergen: The Norwegian School of Economics and Business Administration Press.

Peters, T. J., & Austin, N. (1985). *A Passion for Excellence: The Leadership Difference*. New York: Random House

Peters, T. J., & Waterman, D. H. (1982). *In Search of Excellence*. London: Harper & Row.

Peterson, D. B. (1996). Executive coaching at work: The art of one-to-one change. *Consulting Psychology Journal: Practice and Research, 48*, 78-86.

Peterson, R. S., Owens, P. D., Tetlock, P. E., Fan, E. T., & Martorana, P. (1998). Group dynamics in top management teams: Groupthink, vigilance, and alternative models of organizational failure and success. *Organizational Behavior and Human Decision Processes, 73*, 272-305.

Pettigrew, A. M. (1972). Information control as a power resource. *Sociology, 6*, 187-204.

Pettigrew, A. M. (1998). Success and failure in corporate transformation initiatives. In R. D. Galliers and W. R. J. Baets (Eds.), *Information technology and organizational transformation*. London: Wiley.

Pfeffer, J. (1977). The ambiguity of leadership. *Academy of Management Review, 2*, 104-112.

Pfeffer, J. (1981). Power in organizations. Marshfield MA: Pitman.

Pfeffer, J. (1992). Managing with power: Politics and influence in organizations. Boston, MA: Harvard Business School Press.

Pfeffer, J., & Sutton, R. I. (2006). Hard facts, dangerous half truths and absolute nonsense: Profiting from evidence based management. Boston: Harvard Business School Press.

Podsakoff, P. M., MacKenzie, S. B., Paine, J. B., & Bachrach, D. G. (2000). Organizational citizenship behaviour: A critical review of the theoretical and empirical literature and suggestions for future research. *Journal of Management, 26*, 513-563.

Policastro, E. (1995). Creative intuition: An integrative review. *Creativity Research Journal, 8*, 99-113.

Porter, L. W., Allen, R. W., & Angle, H. L. (1981). The politics of upward influence in organizations. *Research in Organizational Behavior, 3,* 109-149.

Porter, M. E. (1980). Competitive strategy. New York: Free Press.

Prideaux, G., & Ford, J. E. (1988). Management development: Competencies, teams, learning contracts, and work experience-based learning. *Journal of Management Development, 7*, 13-21.

Prince, G. (1970). The practice of creativity. New York: Harper and Row.

Proctor, T. (1999). Creative problem solving for managers. London: Routledge.

Quinn, J. B. (1980). Strategies for change: Logical incrementalism. Homewood, ILL: Irwin.

Raiffa, H. (1985). Post-settlement settlements. *Negotiation Journal, 1*, 9-12.

Rasiel, E. M., & Friga, P. N. (2002). The McKinsey Mind. New York:: McGraw Hill.

Read, W. H. (1962). Upward communication in industrial hierarchies. *Human Relations, 15*, 3-15.

Reid, S. (1984). Information acquisition and export entry decisions in small firms. *Journal of Business Research, 12*, 141-157.

Rickards, T. (1985). Stimulating innovation: A systems approach. London: Frances Pinter.

Ritov, I., & Baron, J. (1992). Status-quo and omission biases. *Journal of Risk and Uncertainty, 5,* 49-61.

Robbins, S. P. (2005). Organizational Behavior. Upper Saddle River, NJ: Prentice Hall.

Rogers, B. (1993). Giving creativity a shot in the arm. *Involvement and Participation, 2*, 6-10.

Rognes, J. K. (2008). Forhandlinger. Oslo: Universitetsforlaget.

Roos, G., von Krogh, G., & Roos, J. (1994). Strategi. Dublin: Green Valley University Press.

Rosow, J. M., & Zager, R. (1988). Training: The competitive edge. San Francisco: Jossey-Bass.

Rotter, J. B. (1980). Interpersonal trust, trustworthiness, and gullibility. *American Psychologist, January*, 1-7.

Rousseau, D. M., Sitkin, S. B., Burt, R. S., & Camerer, C. (1998). Not so different after all: A cross-discipline view of trust. *Academy of Management Review, July,* 393-404.

Rowe, G., & Wright, G. (1999). The Delphi technique as a forecasting tool: Issues and analysis. *International Journal of Forecasting, 15*, 353-375.

Rowe, G., & Wright, G. (2001). Expert opinions in forecasting: Role of the Delphi technique. In J. S. Armstrong (Ed.), Principles of forecasting: A handbook for researchers and practitioners. Norwell, MA: Kluwer Academic Publishers.

Sadler-Smith, E. (2008). Inside intuition. London: Routledge.

Schein, E. H. (1987). Process consultation: Lessons for managers and consultants. Reading MA: Addison Wesley.

Schein, E. H. (1991). What is culture ? In P. J. Frost, L. F. Moore, M. R. Louis, C.C. Lundberg and J. Martin (Eds.), *Reframing Organizational Culture*. London: Sage

Schindler, P. I., & Thomas, C. C. (1993). The structure of interpersonal trust in the workplace. *Psychological Reports, October*, 563-573.

Schoemaker, P. J. H., & Russo, J. E. (2001) Managing frames to make better decisions. In S. J Hoch, H. C. Kunreuther, and R. E Gunther (Eds.), *Wharton on Making Decisions*. New York: Wiley.

Schön, D. A. (1983). The reflective practitioner: How professionals think in action. Cambridge: Basic Books.

Schuler, R. S., & Jackson, S. E. (1987). Linking competitive strategies with human resource management practices. *Academy of Management Executive, 1*, 207-219.

Schulz-Hardt, S., Jochims, M., & Frey, D. (2002). Productive conflict in group decision making: Genuine and contrived dissent as strategies to counteract biased decision making. *Organizational Behavior and Human Decision Processes, 88*, 563-586.

Schutz, A. (1932). Der sinnhafte Aufbau der sozialen Welt: Eine Einleitung in die verstehenden Soziologie. Vienna: Springer.

Schwarz, N. (2000). Emotion, cognition, and decision making. *Cognition and Emotion, 14,* 433-440.

Scott, W. (1995). Institutions and organizations. Thousand Oaks, CA: Sage Publications.

Selart, M. (1996). Structure compatibility and restructuring in judgment and choice. *Organizational Behavior and Human Decision Processes, 65,* 106-116.

Selart, M. (1997). Aspects of compatibility and the construction of preference (pp. 58-72). In Ranyard, R., Crozier, W. R., & Svenson, O. (Eds.). *Decision Making: Cognitive models and explanations*. New York: Routledge

Selart, M. (2005). Understanding the role of locus of control in consultative decision making: A case study. *Management Decision, 43,* 397-412.

Selart, M., & Boe, O. (2001). On practitioners' usage of creativity heuristics in the decision process. In Allwood, C. M., and Selart, M. (Eds.), *Decision Making: Social and Creative Dimensions*. Boston/Dordrecht: Kluwer Academic Publishers.

Selart, M., Boe, O., & Gärling, T. (1999). Reasoning about outcome probabilities and values in preference reversals. *Thinking and Reasoning, 5*, 175-188.

Selart, M., Boe, O., Kuvaas, B., & Takemura, K. (2006). The influence of decision heuristics and overconfidence on multi-attribute choice. *European Journal of Cognitive Psychology, 18,* 437-453.

Selart, M., & Eek, D. (1999). Contingency and value in social decision making (pp. 261-273) In Juslin, P., and Montgomery, H. (Eds.), *Judgment and Decision Making.* Hillsdale, NJ: Erlbaum.

Selart, M., & Eek, D. (2005) Is there a pro-self component behind the prominence effect?. *International Journal of Psychology, 40,* 429-440.

Selart, M., Gärling, T., & Montgomery, H. (1998) Compatibility and the use of information processing strategies. *Journal of Behavioral Decision Making, 11,* 59-72.

Selart, M., Gärling, T., Montgomery, H., & Romanus, J. (1994). Violations of procedure invariance in preference measurement. *European Journal of Cognitive Psychology**, 6,*** 417-436.

Selart, M., & Johansen, S. T. (2011). Ethical decision making in organizations: The role of leadership stress. *Journal of Business Ethics, 99*, 129-143.

Selart, M., & Johansen, S. T. (2011). Understanding the role of value-focused thinking in idea management. *Creativity and Innovation Management, 20***,** 196-206.

Selart, M., Johansen, S. T., Holmesland, T., & Grønhaug, K. (2008). Can intuitive and analytical decision styles explain managers' evaluation of information technology? *Management Decision, 46,* 1326-1341.

Selart, M., Karlsson, N., & Gärling, T. (1997). Self-control and loss aversion in intertemporal choice. *Journal of Socio-Economics, 5***,** 513-524.

Selart, M., Nordström, T., Kuvaas, B., & Takemura, K. (2008). Effects of reward on self-regulation, intrinsic motivation, and creativity. *Scandinavian Journal of Educational Research, 52,* 439-458.

Selart, M., & Patokorpi, E. (2009). The issue of design in managerial decision making. *Problems and Perspectives in Management, 7,* (4), 92-99.

Senge, P. (1990). The leader's new work: Building learning organizations. *Sloan Management Review, 3*, 7-23.

Senge, P. (1990b). The fifth discipline: The art and practice of the learning organization. New York: Doubleday.

Shapira, Z. (1994). Risk taking: A managerial perspective. New York: Russell Sage Foundation.

Shapiro, D., Sheppard, B. H., & Cheraskin, L. (1992). Business on a handshake. *Negotiation Journal, October*, 365-377.

Shaw, P. (2008). Making difficult decisions: How to be decisive and get the business done. Chichester: Wiley Capstone.

Shiloh, S., & Rotem, E. (1994). What makes a good decision-maker ? Self and social evaluations of decision making competence versus performance measures in a simulated decision. Personality and Individual Differences, 17, 477-488.

Simon, H. A. (1947). Administrative behaviour: A study of decision-making processes in administrative organizations. New York: Macmillan.

Sims, H. P., & Lorenzi, P. (1992). The new leadership paradigm: Social learning and cognition in organizations. London: Sage Publications.

Sims, H. P. & Manz, C. C. (1996). Company of heroes: Unleashing the power of self-leadership. New York: Wiley.

Sinclair, A. (1992). The tyranny of a team ideology. *Organization Studies, 13,* 611-626.

Singer, T., & Fehr, E. (2005). The neuroeconomics of mind reading and empathy. AEA papers and proceedings, Pp. 340-345

Slovic, P., Finucane, M., Peters, E., & MacGregor, D. G. (2002). The affect heuristic. In T. Gilovich, D. Griffin, & D. Kahneman (Eds.), Heuristics and biases: The psychology of intuitive judgment. Cambridge: Cambridge University Press.

Smith, K. G., Grimm, C. M., Gannon, M. J., & Chen, M. (1991). Organizational information processing, competitive responses, and performance in the U.S. domestic airline industry. *Academy of Management Journal, 34,* 60-85.

Sowell, T. (1996). Knowledge and decisions. New York: Basic Books.

Staw, B. M. (1976). Knee-deep in the big muddy: A study of escalating commitment to a chosen course of action. *Organizational Behavior and Human Decision Processes, 16,* 27-44.

Staw, B. M., & Ross, J. M. (1978). Commitment to a policy decision: A multi-theoretical perspective. *Administrative Science Quarterly, 23*, 40-64.

Steele, C. M., Spencer, S. J., & Lynch, M. (1993). Self-image resilience and dissonance: The role of affirmational resources. *Journal of Personality and Social Psychology*, *64*, 885-896.

Sternberg, R. J. (1990). Wisdom: Its nature, origins, and development. Cambridge: Cambridge University Press.

Sternberg, R. J. (2001). Why schools should teach for wisdom: The balance theory of wisdom in educational settings. *Educational Psychologist, 36*, 227-245.

Sternberg, R. J., & Ben-Zeev, T. (2001). Complex cognition: The psychology of human thought. Oxford: Oxford University Press.

Sternberg, R. J., & Lubart, T. I. (1991). An investment theory of creativity and its development. *Human Development, 34*, 1-31.

Sternberg, R. J., & Lubart, T. I. (1995). Defying the crowd: Cultivating creativity in a culture of conformity. New York: Free Press.

Stewart, T. A. (2009). The nine dilemmas leaders face. Unpublished manuscript.

Stoffels, J. D. (1994). Strategic issue management: A comprehensive guide to environmental scanning. Milwaukee WN: Pergamon.

Stone, D. A (2002). Policy paradox: The art of political decision making. New York: Norton & Company.

Stoycheva, K. G., & Lubart, T. I. (2001). The nature of creative decision making. In C. M. Allwood and M. Selart (Eds.), Decision Making: Social and creative dimensions. Dordrecht/Boston: Kluwer Academic Press.

Strand, T. (2007). Ledelse, organisasjon og kultur. Bergen: Fagbokforlaget.

Stroh, L. K., & Johnson, H. H. (2006). The basic principles of effective consulting. London: Lawrence Erlbaum.

Sutton, R. I.., & Hargadon, A . (1996). Brainstorming groups in context: Effectiveness in a product design firm. *Administrative Science Quarterly, 41*, 685-718.

Svenson, O. (1992). Differentiation and consolidation theory of human decision making: A frame of reference for the study of pre- and post-decision processes. *Acta Psyhologica, 80*, 143-168.

Svenson, O., & Maule, A. J. (1993). Time pressure and stress in human judgment and decision making. New York: Plenum Press.

Taylor, S. E. & Brown, J. D. (1988). Illusion of well-being. A social psychological perspective on mental health. *Psychological Bulletin*, *103*, 193-210.

Taylor, S. E., & Brown, J. D. (1989). Positive illusions: Creative self-deception and the healthy mind. New York: Basic Books.

Taylor, S. E., & Brown, J. D. (1994). Positive illusions and well-being revisited: Separating fact from fiction. *Psychological Bulletin, 116*, 21-27.

Teece, D. J., Pisano, G., & Shuen, A. (1997). Dynamic capabilities and strategic management. *Strategic Management Journal, 17*, 509-533.

Tengblad, S. (2006). Is there a ‘new managerial work’? A comparison with Henry Mintzberg’s classic study 30 years later. *Journal of Management Studies, 43*, 1437-1461.

Thaler, R. H., & Sunstein, C. R. (2008). *Nudge.* New Haven. Yale University Press

Thompson, L. (2005). The mind and heart of the negotiator. Upper Saddle River, NJ: Prentice Hall.

Thompson, L. (2008). Making the team: A guide for managers. Upper Saddle River, NJ: Prentice Hall.

Tichy, N. (1983). Managing strategic change. New York: Wiley.

Torbert, W. R. (1987). Managing the corporate dream: Restructuring for long-term success. Homewood , ILL: Dow Jones-Irwin.

Trice, H. M., & Beyer, J. M. (1993). The culture of work organizations. Englewood Cliffs, NJ: Prentice-Hall

Trevino, L. K. (1986). Ethical decision making in organizations: A person-situation interactionist model. *Academy of Management Review, 11,* 601-617.

Trevino, L. K., Butterfield, K. D., & McCabe, D. L. (1998). The ethical context in organizations: Influences on employee attitudes and behaviors. *Business Ethics Quarterly, 8,* 447-476.

Trevino, L. K., & Youngblood, S. A. (1990). Bad apples in bad barrels: A causal approach. *Journal of Applied Psychology, 75,* 378-385.

Turner, M. E., & Pratkanis, A. R. (1998). A social identity maintainance model of groupthink. *Organizational Behavior and Human Decision Processes, 73,* 210-235.

Turner, M . E., Probasco, P., Pratkanis, A. R., & Leve, C. (1992). Threat, cohesion, and group effectiveness: Testing a social identity maintainance perspective on groupthink. *Journal of Personality and Social Psychology, 63,* 781-796.

Tversky, A., & Kahneman, D. (1974). Judgment under Uncertainty: Heuristics and Biases. *Science, 185*, 1124-1131.

Ulrich, D. (1997). Human resource champions. Boston: Harvard Business School Press.

Vaill, P. B. (1998). The unspeakable texture of process wisdom. In S. Srivastva and D. L. Cooperrider (Eds.), Organizational wisdom and executive courage. San Francisco: The New Lexington Press.

Valle, M., & Perrewe, P. L. (2000). Do politics perceptions relate to political behaviors ? *Human Relations, 53*, 359-386.

Vidaillet, B. (2008). When “decision outcomes” are not the outcomes of decisions. In G. P. Hodgkinson and W. H. Starbuck (Eds.), The Oxford handbook of organizational decision making. Oxford: Oxford University Press.

von Krogh, G., Ichijo, I., & Nonaka, I. (2000). Enabling knowledge creation. Oxford: Oxford University Press.

Vroom, V. H., & Jago, A. G. (1988). The new leadership: Managing participation in organizations. Englewood Cliffs, NJ. Prentice Hall.

Vroom, V. H., & Yetton, P. W. (1973). Leadership and decision making. Pittsburgh: University of Pittsburgh Press.

Wall, S. J., & Wall, S. R. (1995). *The New Strategists: Creating Leaders at All Levels*. New York: The Free Press.

Weick, K. E. (1969). The social psychology of organizing. Reading, MA: Addison-Wesley.

Weick, K. E. (1993). The collapse of sensemaking in organizations: The Mann Gulch disaster. *Administrative Science Quarterly, 38*, 628-652.

Weick, K. E. (1995). Sensemaking in organizations. Thousand Oaks, CA: Sage.

Weick, K. E. (2001). *Making Sense of the Organization*. Oxford: Blackwell.

Weick, K. E. (2004). Mundane poetics: Searching for wisdom in organization studies. *Organization Studies, 25*, 653-668.

Weick, K. E., & Roberts, K. H. (1993). Collective mind in organizations. Heedful interrelating on flight decks. *Administration Science Quarterly, 38*, 357-381.

Whitely, W. T., & Coetsier, P. (1993). The relationship of career mentoring to early career outcomes. *Organization Studies, 14,* 419-441.

Whittington, J. L., Pitts, T. M., Kageler, W., & Goodwin, V. L. (2005). Legacy leadership: The leadership wisdom of the apostle Paul. *Leadership Quarterly, 16*, 749-770.

Whittington, R. (2003). The work of strategizing and organizing: For a practice perspective. *Strategic Organization, 1*, 117-125.

Witte, E. (1972). Field research on complex decision making processes: The phase theorem. *International Studies of Management and Organization, 2*, 156-182.

Worley, C. G., Hitchin, D. E., & Ross, W. L. (1996). *Integrated Strategic Change: How OD builds Competitive Advantage*. Reading MA: Addison-Wesley.

Wright, G. (2001). *Strategic Decision Making: A Best Practice Blueprint*. Chichester: Wiley.

Wright, G., & Goodwin, P. (2008). Structuring the decision process. In G. P. Hodgkinson and W. H. Starbuck (Eds.), The Oxford handbook of organizational decision making. Oxford: Oxford University Press.

Yukl, G. (2005). Leadership in organizations. Upper Saddle River, NJ: Prentice Hall

Yukl, G., & Chavez, C. (2002). Influence tactics and leader effectiveness. In L. L. Nader and C. A. Schriesheim (Eds.), *Leadership*. Greenwich, CT: New Information Age Publishing.

Zaccaro, S. J., Rittmana, A. L., & Marks, M. A. (2001). Team leadership. *Leadership Quarterly*, *12*, 451-483.

Zand, D. E. (1997). The leadership triad: Knowledge, trust, and power. New York: Oxford University Press.

Zanzi, A., & O.Neill, R. M. (2001). Sanctioned versus non-sanctioned political tactics. *Journal of Management Issues*, *13*, 245-262.

Zey, M. G. (1988). A mentor for all reasons. *Personnel Journal, January*, 46-51.