

# An Analysis of the Behavioural Dynamics of Corporate Governance – a talk-based ethnography of a UK manufacturing ‘board-in-action’

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This article draws upon research conducted in a UK manufacturing company where a group of directors and senior managers (managerial elites) interacting with each other were observed and captured on audio and video tape recordings. From detailed analysis of their talk-based interpersonal routines, the nature of their linguistic skills and *how* factors such as knowledge, know-how and experience were deployed to influence boardroom process was explored. They also simultaneously sought to preserve the protocols of human interaction. The objective here is to reproduce a small set of *typical* interactive routines between this group of managerial elites to illustrate aspects of this analysis. In particular, we illustrate their use of two basic micro-linguistic resources; the display of feelings and emotions, and; the routine selection of lexemes which activate arenas of expertise and knowledge. The laminated effect of successive interactive exchanges of the sort reproduced in this paper allowed for a range of board tasks to be executed alongside the concurrent assembly of an effective (or not) competent performance in the boardroom. Taken together this paper and our prior one provides a basis for developing a systematic and rigorous approach for the study of the behavioural dynamics of corporate governance.

## Introduction

In prior work we advocated conducting ethnographies of boards and top management teams (TMT) in-action (whilst recognizing the inherent problems of access and confidentiality). We proposed that we need to *record* ‘managerial elites’ (Pettigrew 1992) talk-based interactive routines *as they happen* (Samra-Fredericks 2000) alongside the traditional ethnographic ‘methods’ of observation, interviewing and work shadowing. Furthermore, we contended that there was a need to focus upon the talk of board/TMT members in order to gain a deeper understanding of the ‘behavioural dynamics of corporate governance’. To re-state the obvious, when we enter the boardroom/TMT what we see/hear is managerial elites *talking* to each other and it is

through this talk that they execute the range of board tasks or ‘outputs’ (Higgs and Dulewicz 1998:48, Dulewicz et al 1995, IoD 1995, Tricker 1995). We also suggested that competencies, deemed ‘inputs’ by Dulewicz et al (1995, see also Higgs and Dulewicz 1998, IoD 1995) in the form of skills, experience and knowledge must be *performed* in some way and that this performance in the boardroom/TMT meeting must be primarily *realized* through *talk*. The centrality of talk or language use was further substantiated from a review of the prolific leadership literature. We observed, for example, that only through skilled language use or talk can leaders (our board/TMT): manage meaning and the sense-making activities of others and so define *reality* (see Knights and Willmott 1992, Pondy 1978, Smircich and Morgan 1982); tell convincing

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or persuasive strategic stories (Barry and Elmes 1997); secure 'attributions of expertise, esteem and power' (Gardner and Avolio 1998); and be tactful, diplomatic, persuasive (Pettigrew and McNulty 1995, McNulty and Pettigrew 1996) as well as, assertive (e.g., IoD 1995). Presumably also, they can only 'craft' strategies (Mintzberg 1987) through a talk-based interactive process. Verbal ability or skilled language use was deemed *the* fundamental component for performing effective leadership as well as being an important, if neglected, dimension underpinning the two accounts of boardroom processes which were reviewed in prior work (Higgs and Dulewicz 1998, Pettigrew and McNulty 1995, in Samra-Fredericks 2000). Equally, we proposed that the need 'to understand what is going on first, rather than hammering theory into the space available' (Clarke, 1998:62–63) necessitates a talk-based ethnographic approach (Samra-Fredericks 2000, also 1996a).

The purpose of this second paper is primarily limited to illustrating, within the space constraints, the detail and level of analysis that a talk-based ethnography of boards/TMTs-in-action would yield. The paper is organized as follows: first, having briefly introduced our theoretical and analytical framework in the first paper, we only very briefly refer to the conversation analytic (CA) tradition (see for example, Sacks 1992, Boden 1994) and Habermas' (1979, 1984) notion of validity claims drawn from his theory of communicative action here (fuller account in Samra-Fredericks 1996a, 1997, 1998a, 1998b, also Alvesson 1996, Forester 1992). This will indicate the wider scope of our approach and analysis which cannot be adequately dealt with here. A brief introduction to our 'case' organization follows. This was a piece of ethnographic research conducted in a UK manufacturing company's 'operating' board (approximately, over a twelve month period). The field-work comprised interviews, observations, work shadowing as well as audio and video recording *naturally occurring events*. We then turn to the empirical materials and reproduce in total five short exchanges (extracts A–D, extract F) and two longer interactive sequences (extracts E and G) of boardroom talk to illustrate both the level and nature of our analysis. First, for analytical purposes only, we discuss two micro-linguistic phenomena in *isolation* (personal pronouns and discourse markers). General comments on elites' strategic and pragmatic usage of these basic linguistic resources will be offered. However, we must not lose sight of their embedded or indexical nature which prevents the generation of simple prescriptions. This

issue of embeddedness or indexicality (Garfinkel 1967) becomes clearer when we turn to the two extended extracts. The first extended sequence (extract E) allows us to indicate *how* feelings were subtly articulated and thus the regulation and display of emotion is considered (tentatively analysed in Samra-Fredericks 1996b). In the next section, we examine one avenue for *how* forms of knowledge surface and the way this is made to count (extract F). This brief exchange (extract F) was where the expression of an apparently simple term or lexeme – 'accountants' – was spoken. Yet what we witnessed was the subtle and skilled way that knowledge and expertise was routinely *invoked and contested* when face-met-face across boardroom tables. Whilst this is one very brief example, other extracts do substantiate our points, not least extract G. This is our second extended sequence (extract G) which integrates earlier points as we examine the *real time* production of persuasion as lived experience. We then draw the paper to a close.

Clearly, due to space restrictions we cannot discuss other lexemes or conversational resources such as questions or the use of metaphors or the ability to invoke beliefs surrounding, for example, industry recipes (J-C Spender 1989) which have been analysed. However, we hope to have met our objective of indicating the scope of our research and level of analysis. We make no apologies for the rich description following Mintzberg's (1989) call for more descriptive research which would detail the dynamic complexity surrounding management *practice*. Clarke (1998), Finkelstein and Hambrick (1996) and Pettigrew (1992) make similar calls regarding research into boards/TMTs. When taken together, we hope that this paper and the prior one (Samra-Fredericks 2000) offer a systematic and rigorous approach which has the potential to yield penetrating analyses of the *real time* behavioural dynamics at board/TMT level. When we see a group of men (and sometimes women) seated around a boardroom table, the most visible *behaviour is verbal, their talk* and through this talk, process and task is accomplished alongside accomplishing competence. The next section will now outline the 'bare bones' of our theoretical and analytical framework.

### **A framework for understanding everyday talk – a move from the mundane to the spectacular**

Today, our understanding of linguistic competence has been extended to take account of

'not only the syntactical mastery of sentences, but mastery of the circumstances in which particular types of sentences are appropriate' (Giddens, 1987:200). This 'turn' draws upon the later work of Wittgenstein (1968), Austin's speech act theory (1962) and those who have sought to expose the 'methodological devices' used by actors to accomplish daily life, of these, Garfinkel's ethnomethodology (1967) and Sacks' (1992) conversation analysis (CA) are the most well known. Basic 'methods' such as turn-taking and adjacency pairs (question/answer) characterise CA and hence, knowledge of *how to do* 'social life' as well as having knowledge of (for example, industry recipes, J-C Spender 1989) is easily a prime candidate for research in these traditions. In terms of our overarching analytical framework, we also draw upon Habermas' (1979, 1984) theory of communicative action, in particular his notion of validity claims (hereafter referred to as VC). As we demonstrate below, there is much to be gained by drawing upon both CA and VC analysis.

First, following Alvesson's (1996) and Forster's (1992) empirical studies, Habermas' (1979, 1984) theory of communicative action is

taken as an 'ideal and an interpretive framework' and thus we set aside Habermas' wider ideological concerns. Secondly and more specifically, we focus upon Habermas' (1979, 1984) notion of four types of 'validity claims' (referred to as VC1, VC2, etc.) which speakers simultaneously make on listeners. The pragmatic scope of the four validity claims are summarized in table 1. By drawing upon the work of conversation analysts who have examined the nature of *specific conversational or linguistic resources*, further insight into this process of making validity claims becomes possible. Whilst we cannot discuss the full range of *linguistic* resources deployed by our board members, we do comment on the following: personal pronouns; discourse markers; metalingual expressions and modalizing terms. Given our objective here, we hope this is sufficient to provide some understanding of how, through skilful use of these types of basic everyday resources, our elites are *then enabled* to assemble and articulate aspects of the four VCs to perform their boardroom/TMT tasks and assemble a competent performance. It is in this limited way that we draw upon and combine these two intellectual traditions.

Table 1: Habermas' (1979, 1984) pragmatics of communicative action (first assembled and reproduced in Samra-Fredericks 1996a)

Validity Claim	Pragmatic scope of 'validity claim on listeners	Examples
1	referring to 'outer' states of affairs which a listener may explore as truly or falsely existing	asserting that a course of action as indicated through speech is the most effective & efficient means for attaining an end
2	invoking contextual norms that legitimate the action undertaken – listeners may consent to or challenge as inappropriate to the situation at hand	indicating that behaviour is correct and proper in accordance with relevant norms and cultural standards
3	expressing 'inner' states of self, emotions & dispositions which a listener may trust or challenge as feigned or inauthentic	maintaining that the subjective experience as expressed is sincere/ authentic & revealing of real subjective states
4	representing issues in a selective language, terminology or framework which a listener may accept or challenge as incomprehensible	
	(Forester 1992)	(Turner 1988)
		e.g., the language of accountants, TQM, BPR, strategy, etc.

Any analysis of transcribed talk encompassing these four domains, in our view, incorporates the political, cultural and moral aspects of human interaction whilst also allowing for a detailed study of the skills, knowledge and experiences which our board/TMT draw upon to execute their formal tasks and perform their formal roles. Indeed, employing Forester's (1992: 61–2) own terms, this 'four-layered practical structure' facilitated detailed analysis of boardroom talk and the intricate processes of 'shaping (more or less true) beliefs, (more or less appropriate) consent, (more or less deserved) trust, and (more or less aptly focussed) attention in both this manufacturing company's 'operating' board and in other organizations where high level access was and continues to be negotiated. Whilst this paper will discuss and illustrate these four elements, to satisfactorily detail how they were interpersonally evoked, that is, how beliefs and consent were shaped and trust engendered through a series of successive talk-based interactive routines, we would need more space.

### Introduction to the manufacturing company

The company is based in the UK (Head Office/Parent based in France) and manufactures a product which is sold across Europe. It employed, at the time of the research, approximately 700 people across two sites, seventy miles apart. A major task for the board at the time of the research was to manage a £5million investment in a new cellular manufacturing plant with another £5 million earmarked for subsequent investment. The series of reproduced transcribed extracts in this paper are *typical* of the interactions that took place during their routine day-long monthly 'operating' board meetings and are drawn from just one meeting for practical (comprehension) purposes. The extracts are a minute proportion of the total data-set comprising many hours of talk subjected to analysis. Whilst space considerations force this minimal selection we hope that the nature of *real time interpersonal routines* at this level are conveyed. Other events were also recorded, including meetings between the functional directors and their senior management teams. This allowed for the examination of how strategic issues crystallize from a wider, but still talk-based interactive process (not dealt with here). The mechanics of doing this type of research have been considered elsewhere (Samra-Fredericks

1995, 1996a, 1998b) and we reiterate that confidentiality was and is maintained since there is no reference to the name of employees, the company, their product or service or to any financial figures. When transcribed, such details are placed in [square] brackets.

All the meetings attended over a twelve month period included varying levels of collaboration and conflict. Where the latter arose there was disagreement over some issue, decision or its subsequent interpretation. The conflictual exchanges provided the most concise examples of skilled boardroom activity since persuasion and influencing strategies were rife as each member sought to secure interpersonal leverage. Our two extended extracts will illustrate this. In the case of this company and the issue of managing *process* as set out in the 'Board Standards Model' (Dulewicz et al 1995, Higgs and Dulewicz 1998, IoD 1995), 'developing or removing board members' was an important process played out over the course of three specific monthly board meetings one late spring/early summer. An ability to effectively manage such a process was critical since it led to satisfying another stated 'process' in the 'Standards Model' that is, it ostensibly 'develop[ed] and improve[d] board effectiveness'. In terms of 'outcomes' over the stated three month period of time, there was the execution of various tasks, not least the development of a specific vision and set of values which then informed the tangible artifacts – the strategy document and the organization 'chart' (the formal structure). In addition, the board *re-set* the parameters for management (stated as the output, 'delegation to management', Higgs and Dulewicz 1998:48).

By being there and observing board processes in the manufacturing company we found one director, the Operations Director (Ops Dir), to be effectively managing and influencing these key processes throughout the particular three month time frame. Our approach and level of analysis allowed us to examine *how*, through 'representing the issues in a *selective language*' (Forester 1992: 49, emphasis added) and thus shaping the *attention* of others, this director shaped beliefs, secured consent (to his view) alongside engendering trust in him as a competent board member. If we employ orthodox terms to describe him, he was confident and assertive, he listened and displayed sensitivity to others whilst remaining focussed or decisive. All of these skills and abilities are recognized in the literature in various ways (IoD 1995, see also Pettigrew and McNulty 1995, McNulty and Pettigrew 1996, Blake 1999: 75–79). Our approach and interest takes

us further into examining *how* these complex dynamic skills surface and intertwine with knowledge, experience and expertise when face-meets-face. For example, *how* did the Ops Dir actually 'speak' decisiveness or assemble sensitivity whilst simultaneously contesting another's account or description? We now turn to our micro-level of analysis which provides us with a means for answering these types of questions and for opening up a route for the study of the behavioural dynamics of corporate governance.

### Getting personal with 'I', 'you' and 'we' – micro linguistic resources

The positioning of 'I' and 'you' is one basic, taken-for-granted and yet, critical field of negotiation. To even begin to shape *beliefs*, *consent* and engender *trust* whilst steering others to *attend to* that which is preferred by the speaker, ability to deploy these micro linguistic resources is an important starting point as we will see shortly. Whilst easily overlooked as trivia, personal pronouns command our attention because through them, quite simply, networks of relationships are indexed and constructed. Secondly, by inspecting our transcripts for personal pronouns we can examine *how* positions are simultaneously and interactively constructed on a range of issues. Pettigrew and McNulty's (1995: 861–865) NEDs identified referral to 'networks of external contacts' or to 'external sources for legitimacy' such as the 'Cadbury report' as potential 'power sources'. Our micro-level of analysis enables us to explore *how* board members set about indexing and, thereby constructing, networks of relationships or how they invoked external 'bodies' to enable them to assemble interpersonal leverage in order to influence board process. Ultimately, to do so necessitates 'getting personal' by deploying personal pronouns. Extract A is one simple illustration of the use of combative personal pronouns (highlighted in bold) enabling the two directors involved to interpersonally accomplish non-alignment (Boden 1995: 90) on various issues (we will examine the specific issue being voiced here in extracts F and G).

The key participants in all the extracts are:

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 MD *Managing Director*, Ops Dir *Operations Director*, Fin Dir *Finance Director*, ITHead *Head of Information Technology and Systems*, S&MDir *Sales and Marketing Director*

Transcription conventions have been simplified and are as follows:

= signals immediate latching on;  
 (.) is a brief pause;  
 Single line | and another  
 | below it, signals point of  
 interruption  
 square brackets [ ]  
 [ ] and another set  
 below signal  
 simultaneous/  
 overlapping speech  
*italics* signal emphasis of word/phrase  
 w::ell signals elongated sound

#### Extract A

**Ops Dir** well in fact I would have argued that  
 cost should never have been a  
 criteria if **our** strategy .....[continues]  
**Fin Dir** w:ell |I think where accountants  
 5 **Ops Dir** |unless unless it not not  
**Fin Dir** are making decisions its got to =  
**Ops Dir** = well I I don't think .....[continues]  
 [Seconds later]  
**Ops Dir** = and thats the question that I  
 asked of **yourself** ....[continues]  
 10 **Fin Dir** yes  
**Ops Dir** now **you** defined it for me as  
 .....[continues]

Through our close inspection of these managerial elites' talk, their use of personal pronouns was found to either *assist* the 'accomplish[ment of] 'distance and dissent' through 'I' and 'you' (e.g., extract A) or 'collaboration and solidarity' through 'we' and 'our' (e.g., extract B below) (Boden 1995:90). A specific set of relationships were indexed in this simple way and it was where some were positioned as being part of the board or 'team' and others were not. Here, at line 1 (hereafter expressed as L1) the Ops Dir says 'I would have argued', followed by the Fin Dir's 'I think' (L4), further prompting the Ops Dir's 'I don't think' (L7). The 'I' here marks out opposing positions and listeners *do* cue into this as Forester (1992) also observed from his analysis of 'we' in a management team meeting. These opposing positions are inter-pinned by different sets of values and beliefs. Here it concerns beliefs regarding the scope of 'accountants' to intervene or contribute to the strategic decision-making process. As the Fin Dir was by 'trade' an 'accountant' who had worked his way up to being appointed as a board member a few years earlier, particular references to accountants by the Ops Dir prompted intense exchanges between them. These continued for some months to come and concluded when one of these two board members (Fin Dir) was eventually removed.

In contrast, the use of 'we' and 'our' indexed their collective institutional identity

– as an operating board (see the work of CA researchers such as Drew and Sorjonen 1997: 97 and Heritage 1997). In the more general leadership literature, Gardner and Avolio (1998) have proposed that ‘we’ and ‘our’ (deemed ‘inclusive terms’) are necessary for ‘forging a collective identity’ if charismatic leaders are to effectively influence the actions of others. This process, when transcribed, may look something like the following when face-meets-face across boardroom tables:

*Extract B*

**Ops Dir** = Ok | are we saying this is part of  
**S&M Dir** | because these  
**Ops Dir** our policy of upgrading our company  
 documentation | and so on  
**MD** | yes

Given our micro-level of analysis we sought to track deployment of these basic linguistic resources and how they enabled these elites to index a network of relationships where there was collaboration and solidarity between some elites and distance and dissent between others. Our second extended extract will illustrate and substantiate these points. When there was ‘distance and dissent’ our analysis also revealed the need to mitigate if these elites were to prevent the local or immediate breakdown of the relational dimension of human interaction. We turn to this aspect next.

### Mitigating interpersonal collision – a case of ‘well’ and ‘but’?

Our analysis of board members’ talk in this company, leads us to suggest that one important component for influencing others when face-meets-face is the ability to manage ‘face’ issues (Goffman 1967). Here we move into the realm of ‘politeness’ and the norms or protocols for human interaction. Without effective ‘face management’ skills our elites would *not* have been seen as (that is, able to construct an ‘identity’ as) ‘morally worthy’ (one important consideration in Gardner and Avolio’s (1998) perspective on charismatic leadership). In other words, to be effective in influencing others and ultimately to *build trust*, our elites must ensure that each others’ ‘face’ is maintained during their interactive routines. In Pettigrew and McNulty’s (1995) terms we are dealing with how elites convey ‘respect [for] people and the norms of conduct’ and ‘tact and diplomacy’. Presumably, to be skilled at this allowed their NEDs to maintain effective interpersonal relations, building trust, which then would enable them

to forward their perspective and influence boardroom process.

In this manufacturing company, during those encounters where there was disagreement, being tactful or engaging in the art of diplomacy was even more critical if the interaction was to proceed. When we explored this at the most micro-level, we found, for example, that the use of the discourse markers (Schiffrin 1987) ‘well’ and ‘but’ (highlighted in bold) *mitigated* interpersonal collision and thus they performed ‘tact and diplomacy’. At this stage, two brief extracts are reproduced to illustrate this. We will embed and develop our understanding further when we turn to the two extended extracts shortly.

*Extract C*

**IT Head** no **but** if we wanted to its not a  
 problem =  
**Ops Dir** = yes **but** theres nothing theres  
 nothing that actually stops you =

*Extract D*

**Ops Dir** **but** they can’t be accessed way  
 through the organisation =  
**IT Head** = **well** they can (.) in theory  
 |and we could do that  
**Ops Dir** | **but** they can’t in practice  
**IT Head** no **but**

As studies conducted by CA scholars have shown, the discourse marker *but* is a marker of ‘speaker return’ to re-insert the speaker into the flow of interaction to ‘point make’ (Schiffrin, 1987). Equally, pragmatic usage of the discourse marker *well* signals forthcoming dissonance and this is evident in a range of empirical linguistic analyses conducted by CA scholars (Fraser 1990, Schiffrin 1987). For example, the marker *well* in Boden’s (1995:94) CA based study of negotiation showed how it projected a ‘marked disagreement’ which enabled the participants to both prepare for and mitigate interpersonal collision as they contested each others’ accounts.

During those exchanges where there was some disagreement in the manufacturing company’s operating board, these two basic resources were deployed and more importantly, they served to maintain the *relational* dimension of human communication. As a *tacit* resource which allowed our elites to assemble ‘tact and diplomacy’, ‘face’ issues (Goffman 1967) were being managed simultaneously alongside the spiral of claim and counter-claim (Samra-Fredericks 1996a, 1998a). If we were to strip board members/TMTs talk of these basic markers, the disagreement or challenge being mounted would be greater, potentially being experienced as a more direct attack on another’s

'face'. If this were the case, the basic protocols of human interaction would be suspended and the relational aspect of communication lost. This will be further illustrated and substantiated (within the space constraints) shortly.

If we were to ask our elites the question, 'how do you assemble 'tact' and be 'diplomatic' when you disagree with another board member? What would be the answer? There may be some references to listening to the other's point of view perhaps, or maybe there would be evidence of 'high self-monitoring' (Gardner and Avolio 1998) through the strategic and conscious use of 'distancing' or non-ownership tactics such as the use of 'one thinks that...'. In all cases though it is difficult to *say how* we accomplish these facets since so many aspects need to be considered and much of it is tacit. This provides further support for an approach that captures this *happening* and subjects 'the *happening*' to detailed analysis such as that outlined here. But even then, being tactful and diplomatic whilst disagreeing is a very complex multi-levelled lived experience. As Lampi (1986: 106–7) has observed,

the whole phenomena of mitigation [is] closely linked with sincerity, trust and empathy...[and] is therefore a complex question, which is manifested on several layers of discourse... on the micro-level [are] mitigating prefaces. On the macro-level of discourse, chat phases offer relief...

As outlined here, we first sought to examine the micro-level where basic linguistic resources such as *well* and *but* were found to mitigate interpersonal collision. 'Chat phases' have also been addressed in our research, conceptualized as an important ritual (not discussed in this paper, Samra-Fredericks 1996a). Moving onto a slightly different plane though, when considering the complex field of assembling sincerity and trust, it is hard not to imagine *feelings* or some emotional connection or display. The next section will reproduce one extended sequence to illustrate how *feelings* or *emotions* were spoken. In addition, what must be glaringly apparent from our discussion so far is that in taking the two micro-linguistic resources in isolation, albeit for analytical purposes, there is limited insight and we lose the ethnographic 'context'. However, this does not mean abandoning this analytical route but it does mean we need to *re-combine* or *re-embed* them alongside other linguistic features. Only then do we render the skilled nature of board/TMT interactive routines more transparent. We will also

now draw upon the analytical resource of four types of validity claims.

### Assembling and displaying emotion

In the leadership literature, for example on transformational leadership (Bass 1985), we observe that effective leaders need to instil passion and secure commitment to their vision and that this requires ability to 'appeal to strong emotions'. A study of *how* directors (Heracleous 1999) or strategic decision-makers (Eisenhardt and Zbaracki 1992) actually behave, think and *feel* has also been called for. This is an important research avenue if we acknowledge that an individual's feelings on an issue does affect the decisions taken (Fineman 1993). Based on what transpired in this company's boardroom and our analysis, feelings expressed in terms of varying levels of emotional display did influence board process and did have implications for the eventual 'outputs'.

Putnam and Mumby (1993: 51) have proposed that emotions 'are key factors in forming mutual understanding by cueing empathy, gaining insights into expectations' as well as 'building shared interpretations'. Moreover, Hochschild (1993) has argued that ability to *do* appropriate forms of emotion is a covert resource. In this context, we take this to mean that others may be unaware of the leverage granted to those who utilise 'feelings' and emotions since they can and do operate on a tacit level. In terms of our elites and based upon detailed analysis, ability 'to do' appropriate forms of emotion and to insert it into the flow of interaction appropriately yielded two positive outcomes for those that 'possessed' this capability. First, it assisted them in their attempts to enact sincerity and secure trust (Forester 1992, Lampi 1986) and if consistent in this realm, they were then deemed to be sincere and trustworthy. Second, and given this, they were then more likely to influence board process in their favour, shaping the decisions that crystallized. This was the case in this 'operating' board for one board member in particular.

We now aim to illustrate this whilst being challenged by space restrictions through reproducing one *typical* extended sequence. The second extended sequence discussed shortly will further substantiate our points here. Both extracts also integrate aspects of our earlier discussion on the strategic and pragmatic use of personal pronouns and discourse markers whilst also introducing the routine selection of various language forms/lexemes. As we will see, such mundane

utterances do strategically 'punctuate' the 'flow of experience' (Smircich and Morgan 1982) and thus shape the attention of this board. In terms of our analytical framework, the field of 'subjective states', which is one of the four validity claims (table 1) allowed us to examine the expression of feelings and emotions. However, as will see, all four validity claims will need to be considered.

In this manufacturing company, we found that the Ops Dir consistently conveyed his 'subjective state' in the sense that he displayed his emotions and feelings such as anger and frustration as he simultaneously spoke of his concerns and worries without hedging, unlike the Fin Dir. Our interest lay in how he conveyed or assembled *his feelings* and how they fed into the interactive routines leading to certain decisions being *made*. However, we do recognize that what we lose in a written account is the tone of voice which is an important component of doing emotional labour (*italics* below signal emphasis).

Extract E

- ITHead** but [name of MD] I'm (.) I don't want to sound as if I'm always defending [name of IT consultant used] but I I am =
- 5 **MD** =but you are yeah
- ITHead** he can do in two days what a rookie programmer =
- MD** = right =
- ITHead** = would would take five days =
- 10 **S&MDir** =but for | that argument
- Ops Dir** | for six to nine months
- ITHead** but | not forever! and if | yes
- Ops Dir** [ don't take the step you've got
- 15 **[S&MDir]** [ and thats]
- Ops Dir** [surname of IT consultant] forever
- ITHead** um
- S&MDir** [yes quite]
- 20 **Ops Dir** [sometime you've gotta bite the bullet otherwise you're frozen | rigid in time | [interrupted]

Senior managers attended these board meetings if there was an item on the agenda which required technical/specialist input. Given the strategic initiatives underway (for example, the introduction of integrated cellular manufacturing), the Head of IT and Systems (ITHead) regularly attended the monthly meetings. Let us examine extract E more closely now. First, employing validity claim analysis and purposefully setting aside the emotional element for a moment, at L6-7 and L9 the ITHead re-asserts the technical competency of the external analyst/consultant, enacting VC1 about means-end rationality and

VC2 where he invokes specific or local contextual norms regarding securing the services of a consultant(cy) as being 'correct and proper' behaviour. The former claim asserts that the action of maintaining the contract with the IT consultancy is 'efficient and effective' which the MD acknowledges (L8). As a brief example of the ITHead 'doing' resistance through justification (e.g. L1-4, L6-7 and L9), he attempts to express that the needs of the organisation are uppermost in his mind. The resources available to him include his 'expert knowledge'. Moreover, we observe that to begin to articulate expertise he needs to deploy his stores of 'ethnomethods' and basic linguistic resources such as the marker *but* (fulfilling its function as a marker of 'speaker return' to 'point make' here, L1 and L4). In others words, the ITHead has evaluated the prior exchange and the consequences and he intervenes having decided when to 'let pass' or to 'gloss' (ethnomethods, see Turner 1988). At L1-4 he appears to hedge since the Ops Dir had implied that the relationship between the ITHead and the IT consultant was 'too cosy' and therefore may not be in the interests of the organisation (not reproduced here). This explains the opening comment of 'always defending' the consultant, his use of the marker *but* and, for asserting that the basis of his defense is that of legitimate organisational need. It is being suggested by the ITHead, in effect, that the proposed line of action is an 'efficient means for attaining an end' (VC1).

The S&MDir (L10) begins to offer a contrastive point and to indicate that the 'argument' needs to be examined further. At L11 the Ops Dir interrupts and employs *but* (also fulfilling its function as a marker of 'speaker return' to 'point make') to contrast a time horizon of 'six to nine months' with 'forever'. In doing so, he asserts a particular trajectory for the talk as well as invoking and ascribing a specific temporal dimension to the role of 'director/senior manager'. He invokes contextual norms (VC2) regarding taking decisive action ('bite the bullet' L20-1) as opposed to inaction or indecision ('frozen rigid in time' L21-2). He indicates that taking decisions and action is correct behaviour (VC2) and that this is the appropriate means to an end (VC1). He conveys a widely accepted belief that strategists do *not* take short-term, quick fix decisions but take a long term approach and always with the organisation's needs in mind. He inevitably invites consent or challenge (Forester 1992, Turner 1988) of his interpretation of the situation and here we turn to the sincerity dimension of claiming as being an important component.

Overall, this community of listeners may 'take' his account as being sincere or not and it is here that the display of emotion becomes pivotal. To move the company forward as opposed to being 'frozen', the Ops Dir implies that hard decisions have to be made and the *sincerity of this claim is advanced through emotional appeal*. As we can see, it is accomplished through mundane expressions being emphasised (*forever*) and, taken together with the utterances at L11-12, L14, L16-17, L20-22, the Ops Dir expresses his 'inner state' of frustration and impatience. Where is the rational or objective element in *forever*? He weaves together an emotional strand alongside his assertion that articulates a competing conception of what is effective and efficient (VC1). Given that his time horizon is beyond nine months, the means-end claim asserted by the ITHead is deemed as 'falsely existing'. We must also highlight that as the initial series of *buts* are spoken the nature of contrast through this resource does facilitate mitigation during what is a conflictual moment. The use of the discourse marker *but* at L1, L4, L5, L10 and L12 marks out 'speaker-return' to 'point-make' (Schiffrin 1987). Clearly, its pragmatic effect depends upon the contrastive meaning. Here, as each director or senior manager took their turn, they attempted to modify (L1, 4, 5) or to overtly challenge (L10 and 12) the prior speaker leading to a point where the Ops Dir uttered the need to 'bite the bullet' against remaining 'frozen rigid in time'.

This also conveys the metaphorical nature of the symbolic system these actors utilised to make their accounts convincing. Whilst we do not have the space to explore the use of metaphors in this operating board, what was noteworthy was that the Ops Dir was also the most expressive in the realm of metaphorical speech (his metaphors were also primarily masculine). In all cases, the use of metaphors conjured up visual imagery which added to the speaker's ability to convey *their* sets of beliefs and meanings surrounding the issue being discussed and when allied with other resources and forms of knowledge, influenced board process. Indeed, on this occasion (of which extract E is a part), the Ops Dir did just that. As one brief illustration (see also extract G) the Ops Dir's emotions and overall disposition was conveyed. The use of *emphasis* and the repetition of *forever* (L12, L17, aspects of VC4) *was emotive* (aspects of VC3) and allied with the articulation of VC1 and VC2 as briefly outlined above and the strong visual imagery conjured up through metaphor, the trajectory of the talk altered in the Ops Dir's favour. Moreover, it affected the decisions

made as the interactions unfolded in this meeting. The board *decided* to develop their internal IT expertise and to terminate the contract with the consultancy *believing* that this was the most cost effective in the longer term and more importantly, *believing* this to be the only strategic route available if they were to compete in Europe. By taking this particular decision/action, not only did the formal organization structure change and a re-allocation of resources to recruit IT specialists made, but there was the concurrent process of signalling that the past actions and decisions taken by the Fin Dir (to whom the ITHead reported) were misguided here, (consultants should not have been employed).

When we observe, record and transcribe interactive routines of the sort glimpsed here, we see that political arenas are subtly activated and interpersonally managed. Equally, any study of how managerial elites deploy skills and invoke knowledge, express their 'feelings' or how they *behave* when face-meets-face across the boardroom/TMT table defies simple analysis and subsequent generation of clear-cut findings. At this stage in our research, some insight into this process is being developed and shared here. Simple findings or prescriptions are not. We are clearly at that stage of 'understanding what is going on' (Clarke 1998) first. Whilst conscious that space considerations have led to just one minimal example and compressed commentary in this section, we must continue at speed if we are to consider the issue of knowledge and expertise before moving onto influencing as lived experience.

## Speaking of knowledge and expertise

*How* does knowledge and expertise surface and how is it made 'to count' in the boardroom/TMT when face-meets-face? In terms of our research, there were numerous avenues through which we explored elites' deployment of forms of knowledge and expertise. One avenue we discuss here was through the selection of specific lexemes by speakers and the brief exchange here (extract F – which reproduces more fully the turns in extract A) is one simple example. It was where the 'category' of *accountants* was selected (voiced) by the Finance Director. Referral to 'membership categories' such as *accountant* (which belong to the membership category device, 'management' or 'professions', see Sacks 1972: 31-32 and Potter 1996) was found to be one simple and tacit 'method' available to these elites to invoke and contest quite

complex arenas of knowledge, skills and 'expertise'. Here, through the Fin Dir's referral to 'accountants' we see how he sought to assert *and insert* his particular forms of knowledge, experience and expertise (as an accountant) as being a legitimate basis for decision-making. Unknown to him, the Ops Dir held and begins to articulate an alternative set of beliefs regarding the role and function of accountants and their 'place' in the formal hierarchy. We highlight in bold those linguistic resources discussed here (and more fully elsewhere).

*Extract F*

- Ops Dir** well in fact I would have argued that **cost** should **never** have been a criteria if **our strategy** and **policy** was to run cross company modules on mainframe (.) **cost** should not have entered into the discussion
- 5 **Fin Dir** w:ell [I think where **accountants**]  
**Ops Dir** [unless unless it not not ]  
**Fin Dir** are making **decisions** its got to =  
 10 **Ops Dir** =well I I don't think **accountants** cannot make **decisions even accountants** cannot make **decisions** which *contradict* company policy

Knights and Willmott (1992: 771) suggest, from conducting their own analysis of a management meeting (and referencing Berger and Luckmann (1967)), that 'mundane interactions of this kind are expressive of contests between interpretive schemes that mediate the very production of reality'. Competing 'ways of knowing', constituting social realities are being 'put to work' by our elites here. Indeed, as each director sought to legitimate their 'interpretive schemes' regarding the scope of accountants (and the function of policies), a particular social reality was being constructed and a specific set of social and political relations were being enacted (Forester 1992, Samra-Fredericks 1996a). Consequently, we conceptualise such interpretive schemes as one of a myriad threads or cultural resources *linguistically invoked* by our elites to enable them, in this case, to spin a plausible story about the past. Drawing upon our analytical resource of VCs, we examine this illustration and further indicate the intricate work that is performed through routine talk.

In extract F, the Ops Dir expresses alternative norms or standards (VC2) which articulate a set of beliefs and knowledge systems which curb the scope of action for some managerial elites (accountants and as it turns out, the Fin Dir). We again observe that as a moment of conflict and disagreement the discourse marker *well* is employed by both

the Ops Dir and the Fin Dir. Given what is being contested (the established hierarchy of membership categories to legitimate actions/decisions), *well* fulfils its pragmatic function and signals forthcoming dissonance. Both the Ops Dir and the Fin Dir project their marked disagreements (Boden 1995) through utilizing this marker. As already discussed, the use of personal pronouns (extract A) signalled *initial* declarations of non-alignment of positions regarding accountants and the scope of their decision-making practices and, as this continued over the course of this meeting, it constructed and indexed a specific set of relationships between these two directors and the board. The use of *never* (L2) and *even* (L11, extract F, spoken by the Ops Dir), are modalizing terms which facilitate an 'extreme case formulation' (Pomerantz 1986). The decisions made by 'accountants' and their scope of legitimate action in the past breaches contextual norms (VC2) since, according to the Ops Dir, it is not 'correct behaviour'. Here, we have one minute illustration of the *real time* disruption of taken-for-granted beliefs and knowledge systems which constituted the 'way things are done'. It can be this subtle.

What transpired was that by describing and thus positioning the role of accountants in this way, the Ops Dir began to lay the groundwork for the *realization* of *asymmetrical power relations* which crystallized over the course of three meetings. The Ops Dir sought to re-configure and re-assemble hierarchy and accord status and privilege to specific forms of knowledge, skills and experiences of board members. On one level, we have the belief that management practice needs to be circumscribed by corporately defined policies (see next section too). In corporate governance terms, this is a 'conformance' issue (Tricker 1995) where policies guide the actions and inform the decision-making processes of management. Since such policies are to be developed by directors and the board overall, the membership category of these elites is rightly being *made* to count. Set alongside this 'conformance' element was the 'performance' dimension of the board (Tricker 1995) where they sought to develop strategic direction. In terms of the 'directors standards model' and satisfying 'indicators of good practice' (see Higgs and Dulewicz 1998: 48, IoD 1995), the board needed to establish the parameters of what comprised 'delegation to management' now and what the role of a director on the board *meant*.

Drawing a line between *being* a functional head (for example, the Fin Dir 'heading up' the Finance Department) and one's interests there against that of being a board member

who moves beyond sectional interests to adopt a strategic orientation required immense effort once a breach was perceived or detected and then subtly articulated. In fact it proved to be very difficult for the Fin Dir and we add was *made* difficult by the Ops Dir's talk-based 'moves' such as those glimpsed here and in the next section. Subsequently, in terms of process and the 'standards model', the 'removal of a board member' was one significant achievement which then had impact upon the 'strategy and structure'. When we turned to the micro-level what we witnessed was a subtle intense political exchange over the course of three consecutive monthly board meetings. They were characterised by intricate negotiations and contests over the value and relevance of the skills, knowledge and expertise deployed by *accountants* to legitimate decisions since this was where the Fin Dir was to be consistently positioned and not as a legitimate board member given past actions and decisions.

Again, we recognise that we are limited since we only refer to one example from analyses of many hours of boardroom/TMT talk. However, whilst brief, we hope it provides some further understanding on how knowledge and 'expertise' (the latter being explicitly identified in Pettigrew and McNulty's (1995) study on NEDs as a 'power source'), is not 'simple and static' but routinely and skilfully 'contested and shifted' (Alvesson 1996:190). It is a precarious interpersonal process defying simple notions of being able to deploy this 'power source' when face-meets-face across boardroom/TMT tables. This exchange in extract F is now further embedded in an extended sequence in the next section where we *re-weave* together our 'layers' of analysis to arrive at some overall semblance of lived experience.

### The production of persuasion as lived experience

Persuasion as a skill has rightly occupied a central place in numerous accounts of management/leadership skills as well as being an important skill for NEDs (Pettigrew and McNulty 1995) and for directors/boards generally (see for example, IoD 1995). For us, it should be apparent now that persuasion is a global if not a 'glossed' term for what is a complex process requiring a myriad of linguistic resources, forms of knowledge, expression of feelings and emotion, some aspects of which we have discussed here. Extract G further extends extract F and we focus on lines 20–40, (due to space consider-

ations). Our prior discussion of extract F though sets the scene. Moreover, we propose that it provided the Ops Dir with the platform from which to *speak* his queries and so, further shape the *attention* of the board, in turn shaping the production of a preferred reality. Once again, we are reminded how 'mundane utterances' guide attention and 'punctuate the flow of experience' (Smircich and Morgan 1982). We again highlight in bold references to the linguistic resources discussed, to other lexemes such as decisions and policies as well as the overarching question – 'what is the policy?' We suggest, based upon our ethnographic approach and detailed analysis of a series of 'operating' board meetings that this exchange and subsequent talk (not be reproduced here) opportunistically provided the 'material' which then eventually led to one board member leaving. When we say 'material' we observe that the Ops Dir enacted an environment where particular 'facts' were spoken in a particular fashion which then influenced process and the execution of various tasks. He selected and constructed certain 'material' in a particular way. His *experience* to do this is evident even within the space of minutes as indicated in our limited examples. Experience furnishes abilities or competence which, for us, encompasses basic linguistic skills, forms of knowledge set alongside appropriate displays of emotion, use of metaphor and here, the restatement of questions (which were deemed to be inadequately answered on prior occasions).

#### Extract G

	<b>Ops Dir</b>	<b>well</b> in fact I would have argued that <b>cost</b> should <b>never</b> have been a criteria if <b>our strategy</b> and <b>policy</b> was to run cross company modules on mainframe (.) <b>cost</b> should not have entered into the discussion
5		
	<b>Fin Dir</b>	<b>w:ell</b> [I think where <b>accountants</b>
	<b>Ops Dir</b>	[unless unless it not not]
10	<b>Fin Dir</b>	are making <b>decisions</b> its got to =
	<b>Ops Dir</b>	= <b>well</b> I I don't think <b>accountants</b> cannot make <b>decisions even accountants</b> cannot make <b>decisions</b> which <i>contradict</i> company <b>policy</b> =
15		
	<b>Fin Dir</b>	= ah yes <b>but</b> yes <b>but</b> like all company <b>policies</b> at [name of company] .....
seconds later		
20	<b>Fin Dir</b>	= <b>well</b> of course it isn't <b>but</b> =
	<b>Ops Dir</b>	= <b>but</b> what I was trying to <i>drive</i> is <b>but</b> what is   the policy ?.....
	<b>MD</b>	hang on [name of IT Head] just let me go in a second =
25		

- Ops Dir = and thats the **question** that I asked of **yourself** and [name of IT Head] **what is the company policy?**
- 30 Fin Dir yes  
Ops Dir now **you** defined it for **me** as (.) company wide activity should utilise the mainframe
- 35 Fin Dir yes=  
Ops Dir = specific internal department's special needs can utilise PCs
- Fin Dir yes  
Ops Dir having *accepted* that as the **policy** (.) I'm saying **we** ain't working to the **policy**
- 40

To differentiate what will happen in the future from the way things have been done in the past was *made* into a critical focal point by the Ops Dir in this company and we have one illustration here of how this was accomplished when face-meets-face across the boardroom table (Samra-Fredericks 1996a). This is also another opportunity (alongside extract E) to see a confident Ops Dir who demonstrates he has listened to prior talk and conveys decisiveness. He is assertive by all accounts and a good part of this arises from his ability to engage in 'logical argument'. Again, we pay tribute to Pettigrew and McNulty's (1995) interview-based study of NEDs where logical argument was proposed as being a key skill for influencing process. To render transparent what actually lays behind this general and orthodox term as the dynamics of interaction actually unfold, we provide this one snapshot where we also see that logical argument does not necessarily mean being devoid of emotional expression (Fineman 1993, tentatively analysed in Samra-Fredericks 1996b).

Firstly, we are struck by a pattern where: 'you defined it for me' (line 31); 'having accepted that' (L38); 'I'm saying' (line 39). Both 'you defined it.' and 'I'm saying...' are metalingual expressions, that is, talk about talk and through which a commentary upon what others have just said or said yesterday, last week or month is re-enlivened and 'put to work' against the speaker's current agenda (which we do not have access to until it is spoken). These utterances show the Ops Dir clearly stating what he had been told earlier in quite direct terms.

Our earlier discussion on the use of personal pronouns also applies here and in terms of discourse markers, we see at line 20 the Fin Dir's utterance is prefaced with *well* and uncompleted with *but*. This indicates (to the analyst too) that he sought to modify prior utterances (and the inherent norms and implied means-end rationalities as spoken by the Ops Dir (see for example discussion

of extract F)). He was unable to complete his point given the Ops Dir's latching on at line 21, again prefaced with *but*. This was a successful turn entry by Ops Dir which followed great interpersonal effort on his part to state what he was 'trying to *drive*' (L21). At this point, given the re-statement of the question (L22, L28-9), our *attention*, as well as that of the board, is drawn to the subsequent series of statements or queries from line 31. The Ops Dir presents a series of unambiguous 'reports' from earlier talk with the Fin Dir in a way that then constrains him here (minimal responses at L30, L34, L37). More importantly, these sequences begin to allow the Ops Dir to re-articulate and clarify VC1 and VC2 from his perspective. What is being accomplished in this illustration is a contrast with earlier position statements and possible meanings. Matters are being worked on and followed a pattern where - 'thats the question I asked of yourself' ... 'what is the company policy?... 'now you defined it for me as'... 'having accepted that as the policy...' I'm saying we ain't...'. Equally, this demonstration of logical argument was set alongside expression of the Ops Dir's subjective state. In other words, his feelings on the matter were also conveyed and again, whilst we lose the tone of voice, the use of emphasis is apparent ('contradict (L15), 'drive' (L21), 'you' (L31) and 'accepted' (L38)) and this did convey his feelings, his frustrations.

As the Ops Dir expands and seeks to establish his view or version of events turn-by-turn he iteratively constructs an 'argumentative environment' which, as Boden (1995:89, emphasis added) suggests, is a '*procedural* strategy in the production of persuasion'. The version presented by the Fin Dir and repeated (L31-33, L35-36) is strongly contrasted with his own (L38-40) and without doubt, 'distance and dissent' was interactionally accomplished (Boden 1995:90). There is an 'I' (L21, L26) and a 'you' (L27, L31) which also indicates *how* accountability is routinely and interactively established. The 'you defined it for me' (L31) holds the Fin Dir accountable and this was skilfully contrasted with 'I'm saying we...'. This 'toing-and-froing' from an individual institutional role of 'I' and 'you' to that of the collective institutional role ('we', L39, the board) consolidates the achievement of distance. The Fin Dir is being positioned outside of the 'we' (potentially everyone else) which invokes a joint project.

As this community of elites listen to series of utterances such as these at lines 21-40, an expectation is interactionally built up and here, was met at lines 38-40. The Ops Dir's reports or reformulations (unlike the MD's

reformulations, not reproduced here) were *not neutral* since they effectively 'packaged' previous interactions for future actions' in a particular way (Potter 1996, Boden 1994, 1995). Overall, managing process in this way constrained the interpersonal options available to the Fin Dir. Our analysis found that during the conflictual encounters he was positioned to do explanations and justifications (defensive rhetoric) against the Ops Dir's assertions (offensive rhetoric, Potter 1996) which in turn set both the pace and parameters for the interactive routines that subsequently unfolded. Reformulating logically, as undertaken by the Ops Dir, undermined the Fin Dir's claims or version of events and simultaneously strengthened the *factuality* of the Ops Dir's. Practice was clearly deemed to contradict stated policy (the similarity with court-room questioning has been considered elsewhere, Samra-Fredericks 1996a). What was established as correct behaviour (VC 2) *locally* and in the past was to be displaced by 'received wisdom' or 'beliefs' regarding the function of policies (policy guides practice) and the role of accountants who report to the board and take decisions which adhere to the parameters of the formal policy (in a similar fashion, in extract E where we discussed emotion, short termism was to be replaced by the more widely accepted 'received wisdom' or beliefs, that is, taking a longer term approach and taking decisive action so that one is not 'frozen rigid in time'). Being consistently and skilfully 'positioned' to defend and justify his accounts, the Fin Dir was progressively unable to influence boardroom process and eventually left the company.

We suggest that detailed analysis of successive interactive routines of the sort reproduced in this paper provides us with an opportunity to move beyond statements such as 'dispassionate listener' (IoD 1995) or 'logical thinker' and so on. We do eventually build up a picture of another's abilities and we can employ these terms but, if we wish to understand the complex nature of human interaction and the myriad ways our elites accomplish this (competent performances or possession of sought after skills and qualities) then our approach and level of analysis is critical. In this manufacturing company, the Ops Dir dramatised a story about the past in the present and demonstrated how this could not continue in the future. Moreover, he did so in a way that strengthened his credibility and without detriment to his moral worthiness since 'face' was also effectively managed though use of basic mitigating resources such as discourse markers and metalingual expres-

sions. Arguably, the two extended extracts reproduced in this paper reveal aspects of *real time* strategic story-telling at this level in the hierarchy. Empirical studies of this elusive process have been called for (Barry and Elmes 1997) and elsewhere we have made an initial response based upon our approach and level of analysis (Samra-Fredericks 1998c). To spin and establish an effective strategic story about future directions, others have to believe in it. In this manufacturing company we found that the Ops Dir achieved this. He was partly assisted by the MD but such support was granted following successive demonstrations of plausibility and credibility of the kind illustrated here. This then further enabled such demonstrations, in other words, an upward spiral was established and the Ops Dir experienced the 'feel good factor' (Turner 1988). We add though that there are other aspects which we have not had the space to explore and which would undoubtedly provide further texture and understanding of strategic leadership in *practice* and the *behavioural dynamics* of corporate governance.

## Conclusion

Throughout this paper we have indicated that we are acutely aware that our series of extracts represent a small proportion of our corpus of data which has been captured and transcribed. Yet, we hope to have conveyed some essence of what we are dealing with when we prise open closed boardroom doors. Ours is an on-going programme of research and space restrictions have meant that we could not discuss other aspects of our analysis where, for example, the ability to pose questions and type of question has been tracked alongside the *referrals* to industry recipes and stakeholders to legitimate decisions and inform strategic direction. We have also only referred to one organization setting aside our analysis of others.

Our experience tells us that human interaction in organizations does not unfold neatly. It is a layered and complex lived experience which defies simple findings and prescription. Our referral to a small set of extracts demonstrates this. Given that one goal for the Corporate Governance field is to understand 'what is going on first rather than hammering theory into the space available' (Clarke 1998: 62-63), this paper and our prior one has argued that we first need to capture the naturally occurring talk of managerial elites and then to deploy a rigorous and systematic approach for its analysis. Whilst some may suggest that the 'Is' and 'wells' of talk take us

into the realm of trivia, what we cannot disregard is that which we strategically and pragmatically *do* through deploying these basic linguistic resources. Indeed, only through such micro-analysis can we really understand and appreciate the eventual construction of the spectacular, that is, board/TMT process and the setting of strategic direction and other 'outputs' as stated in the 'board standards model'. As a profoundly human activity, the *tacit* use of basic linguistic resources to map out or index networks of relationships, to mitigate given 'face' issues, to invoke and contest knowledge and expertise and the integral expression of feelings and displays of emotion are *part-and-parcel of doing strategic decision-making and leadership* at board/TMT level. Furthermore, common-sense tells us that to 'manage meaning' or 'sense-make' or to spin or tell the strategic story effectively our elites must be skilled in these basic facets. It is surprising then that studies of the naturally occurring talk of managerial elites remains unexplored territory. What we have offered in this and our earlier paper is one approach which does equip us for 'mapping' or exploring this territory.

The aim of this second paper was primarily to illustrate aspects of elites' talk-based interactive routines which have been observed, recorded and subjected to a particular form of close analysis. Our method, originally deemed impossible (Lorsch 1989) is possible but premised on securing high level access. It also provides for the preservation of the dynamic processes in a way that still connects to practitioners' lived experiences and which may then allow for alternative forms of individual and collective board development (see in Samra-Fredericks 2000). Furthermore, we also observe that the kind of empirical material presented and analysed here allows us some understanding of why leaders or groups of leaders such as our board have problems in telling us, in response to a question, how they perform strategic leadership and why we remain stuck with statements such as 'be able to listen' or to 'persuade'. To move forwards, to render the behavioural aspects of corporate governance amenable to analysis, to ensure that the field is no longer 'distinguished by a lack of ...fine grained studies' (Clarke 1998: 63), the call for talk-based ethnographies is long overdue. Ultimately when we observe boards-in-action what we see is *managerial elites talking to each other*

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## Biography

Dalvir Samra-Fredericks is a lecturer in the Department of Human Resource Management at Nottingham Business School, associate faculty at Henley Management College

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Her research interests are in directors' and senior managers' rhetorical and relational interactive dynamics as they unfold during

mundane routines and, in particular, the nature of their skills and forms of knowledge for developing strategic direction. Since this necessitates the capture of *real time* processes, another area of interest is in contributing to the interpretative, ethnographic tradition.

### Book Note

#### **Directors' Dilemmas – tales from the frontline; Patrick Dunne, Kogan Page, London, 2000**

Readers may remember a previous book note on Patrick Dunne's book – *Running Board Meetings*. The author is an executive of Europe's major venture capitalist the 3i company and the material clearly reflects his practical experience. The author is also a visiting fellow at the Cranfield School of Management.

A dilemma, according to Dunne, is a tricky spot with no obvious conclusions and where the alternative solutions all involve some degree of pain. He identifies four fundamental drivers of dilemmas for directors: confusion over the role of the board, the fact that human beings are involved, that situations are not static and change, and that money is involved.

The style is chatty, irreverent and totally believable. This is a book clearly based on real-world, personal experience. The text is also illustrated with some apt and enjoyable cartoons. But the real strength of this book lies in the 22 vignette case dilemmas. What should the chairman do when told that the chief executive is in hospital and unlikely to live? Or how should the non-executive director react when asked to take sides in replacing an executive director? Is an affair between two board members, which has led to marital problems, anything to do with the chairman? How does one handle conflicts within the family firm?

Dilemmas in bid situations and IPOs are included. So is the firing of the incompetent but powerful CEO, the abuse of power by the chairman (who regularly flies first class to South Africa with his wife and has work at his home charged to the company), and problems with top management remuneration. Struggling start-ups, board level conflicts, difficulties with the financial press, and doubts about the usefulness of the AGM are all included. Questions of loyalty emerge, too: what about firing a director when it was he who recommended you for appointment as a NED? Or coping with the aftermath of a disastrous explosion in a chemical works? Contemporary issues involve replacing the founder of an Internet company and handling a profits warning to investors. There is even a credible mother and daughter dispute.

Predictably, given the 3i experience, many of the cases concern growing firms seeking funds and family firms facing the dilemmas of growth. The divergence of owners' interests and alternative approaches to management, strategy and funding are apparent. But the analysis and discussion are neither purely legal nor managerial: solutions involve human sensitivities, carefully rehearsing of alternatives and utterly practical advice.

Anyone who believes that codes of best practice or agency theory offer the answers to corporate governance should read this book: unfortunately they are unlikely to do so, because the book has not a word on board structure, no code of best practice, and not a single statistic.