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MASTERY AND SLAVERY

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To Pekka, Anna and Petteri

ABSTRACT

This study explores owner-managers' managerial work. It consists of two main parts: an introduction and four published articles. Each article involves a unique research task, presenting a different triangulatory view on the focal phenomenon. The aim has been to explore what owner-managers really do and how they perceive their managerial work within an external environment. This is why the interplay between owner-managers, their firms, and external environments enacted is emphasized in each article.

Owner-managers' managerial work has been neglected within inductive management research, although owner-managed firms make a significant contribution to national economies and present societies. As the present state of knowledge, as a whole, is modest and conceptualization of managerial work inadequate, new conceptual tools are needed for exploring the managerial work of owner-managers of small-to-medium sized firms. Therefore conceptual development and refinement are essential in the present thesis. In addition, since business ownership is regarded as the distinguishing feature between managers and owner-managers, the relationship between ownership and managerial work is also studied.

The primary aim of this study is to further the understanding of owner-managers' managerial work. Qualitative data collected from 28 owner-managers in total by using different methods have been indispensable for this purpose. Owner-managers' subjective life worlds have enabled the researcher to increase her own understanding of the phenomenon studied. Accordingly, the changing focus of the articles reflects the particular interaction the researcher has had with the focal phenomenon at that specific point of time. This is why the research design of this study may be considered emergent.

The conceptual framework proposed has been construed gradually by combining ideas from two inductive studies with those derived from various literature dealing with 'domain'. The domain framework is well-suited for exploring owner-managers' managerial work at different levels, in concrete and abstract contexts, and both as an imaginary and a linguistic representation. Moreover, this framework proves suitable for illustrating how business ownership and managerial work are related in owner-managers' perception.

Keywords: owner-manager, managerial work, ownership, environment, stakeholder, enactment

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CONTENTS

PART I: THE FRAMEWORK OF THE DISSERTATION

1   INTRODUCTION

This dissertation explores the domain of owner-managers' managerial work. The present thesis consists of an introduction and four published articles, each of which provides a different triangulatory view on the phenomena under investigation. According to Denzin (1978), there are four modes of triangulation: use of different sources, methods, investigators, and theories. In the present thesis, two types of triangulation were adopted: traditional and conceptual. Use of different methods and sources reflects a traditional mode (see Studies 1 and 2). Conceptual triangulation extends Denzin's (1978) idea of navigation: by triangular frameworks the explorer determines the control points and perspectives for approaching the focal phenomenon. The aim is to make proposed interpretations more understandable. Conceptual triangulation implies that different interdisciplinary constructs and perspectives are combined in each article[1]. In the same way, the fourth article may be seen to represent a meta-triangulation arrived at through synthetizing the three views of the previous articles.

As regards the present study as a whole, the interplay between an owner-manager (A), his or her firm (B), and an external environment (C) creates a triangle within which 'managerial work' is explored (see Figure 1). The interaction between these three factors is assumed to be intensive in nature and the processes linking them constantly evolving. Further, business ownership (AB), interdependency (BC), and enactment (AC) reflect perspectives emphasized throughout this thesis. These control points and perspectives are discussed in detail in the present introduction.

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1   Lincoln and Guba (1985, p. 307) do not adhere to the notion that the use of multiple theories makes facts more believable in a naturalistic inquiry. Yet, the idea of conceptual triangulation and its purpose suggested here differs from theoretical triangulation, since the aim is not to confirm *facts* but explicate how interpretations are constructed.

The choice of this topic dates back to the licenciate thesis of the researcher (Wahlgrén, 1995), which explored the external managerial behaviour of Finnish CEOs by applying a social psychological role perspective. This early work triggered the present study and helped to focus it in a number of ways. First, it revealed that, in many respects, owner-managers are an unknown species of managers. Second, owner-managers' managerial work has been largely neglected within both inductive management research and entrepreneurship. Third, the present thesis and the lived experience of the current investigator culminate in questioning a number of assumptions concerning owner-managers' self-determination in managerial work. Fourth, an external investigatory perspective would seem worthy. Finally, understanding owner-managers in an external is important, as their firms make a significant contribution to national economies and present societies (Connolly & Jay, 1996; Francis, 1993; Lank, 1995).
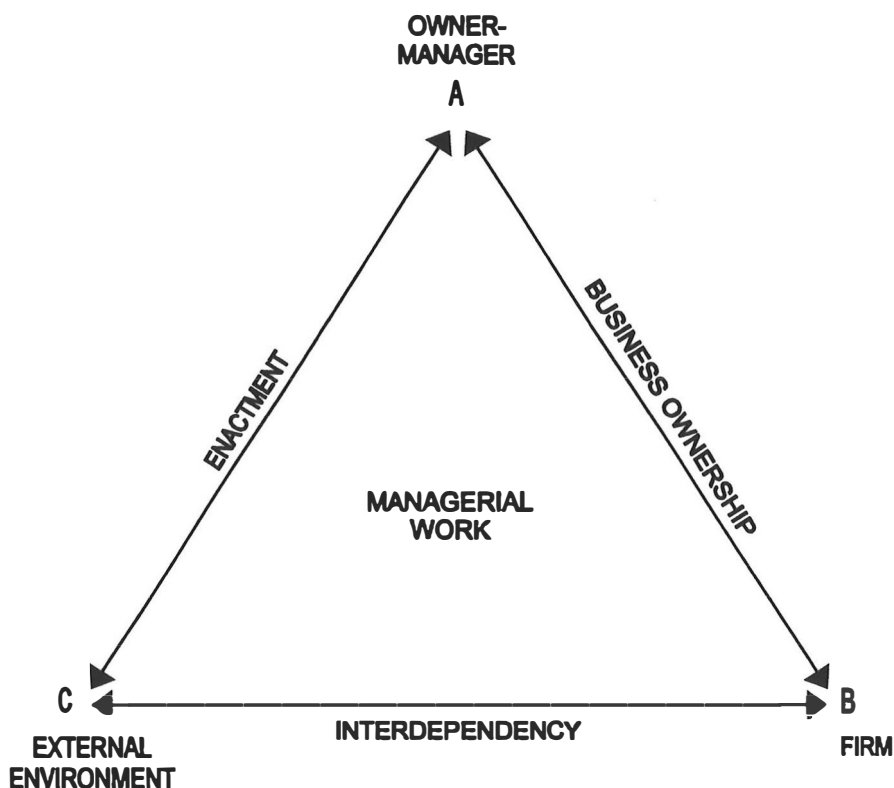
FIGURE 1   The framework of the dissertation

This dissertation comprises two main sections. Part 1 is an introduction to the four articles of section 2 (see Figure 2). In other words, the present introduc-

tion provides a brief overview of research on managerial work, jobs, and behaviour. This selective review concentrates on aspects which have special relevance to owner-managers and their environment. Assumptions concerning owner-managers' managerial work are explicated and discussed. Control points and perspectives adopted are also discussed. Further, a review of underlying assumptions and methodologies related to the present research design ground this study within organization and management theory. Main theoretical constructs addressed in the four research articles are defined in the introduction. Finally, section 1 ends with an introduction to the four articles, and a presention of concluding remarks.
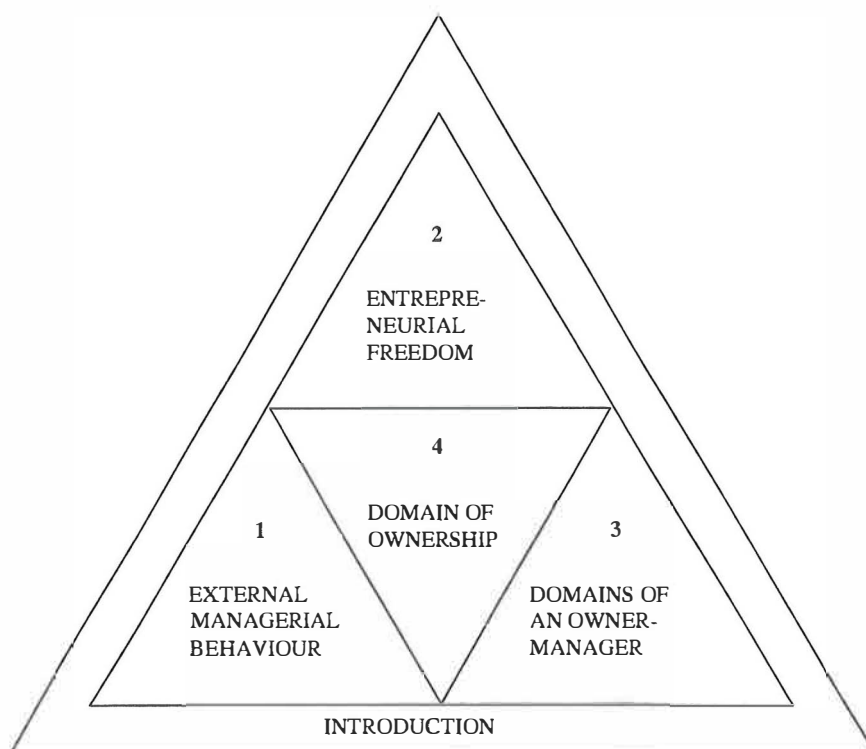
FIGURE 2   The components of the dissertation

Each article involves a specific and unique research task. Article 1 deals with external managerial behaviour of four CEOs, two of whom are owner-managers. Article 2 focuses on 'entrepreneurial freedom' as experienced in owner-managers' managerial work. Article 3 is a conceptual analysis of 'the domains of owner-managers'. Article 4 synthesizes and explicates relationships between business ownership and managerial work through a system of interconnected expectations.

1.1 Managerial work

A contested topic with two main traditions

What do managers do? This question seems to have an enduring appeal. The classical school of management (Fayol, 1916/1949) and Taylor's (1912) scientific ideals laid the foundation for management research. Since this time, characteristics which distinguish management from other business-related activities have been investigated. Most investigators have adopted either a normative or a descriptive stance[2]. The relevance of studying 'managerial' work has been debated. Most arguments against the relevance deal with managers' vague occupational status, their unprofessionalism, and the unscientific nature of management. In contrast, advocates emphasize the importance of revealing managers' real work or work realities to foster theory development and teaching of management, in order to enhance managers' work performance. As to owner-managers, explicit and implicit accusations of unprofessionalism and irrationality in work have often been presented despite the dearth of empirical evidence.

No consensus on the principal elements of management has been reached within *the normative tradition*. For Fayol (1949) managerial functions consist of planning, organizing, commanding, co-ordinating, and controlling. This list of functions has been revised by many scholars (see Gulick & Urwick, 1937[3]). However, the correspondence between functions and observable work seems to be weak. The deductive, conceptual, and collective views adopted may explain this limitation in part. Notwithstanding, it can be argued that managers' overt work and behaviour are the tip of the iceberg and do not reflect all tasks involved in sound management. There are a number of serious shortcomings of the classical school. For example, the political nature of management is largely ignored and the cruciality of interaction is only implicitly stated in theoretical abstractions. Conceptualizing managerial functions in terms of leading, representing, and negotiating has been one way of compensating for the limitations associated with classical paradigms (see e.g. Mahoney et al.,1965).

The inductive tradition aims to describe managers' work as it is viewed in practice. Research utilizing the inductive paradigm has been extensive over the previous fifty years. It has focused on managerial work of executives, middle managers, supervisors, mayors, police executives, university managers, hotel managers, bank managers, and hospital managers (see e.g. Burns, 1954; Carlson, 1951; Child & Ellis, 1973; Dalton, 1959; Hales & Tamangani, 1996; Hannaway, 1985; 1989; Hemphill, 1959; Horne & Lupton, 1965; Kotter, 1982; 1999; Kotter & Lawrence, 1974; Luthans et al., 1985; 1988; Martinko & Gardner,

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2   While a number of studies (e.g. Hemphill, 1959) can be positioned between these main approaches, other investigations (e.g. Carroll & Gillen, 1987) try to bridge the gap between them (Routamaa et al., 1992).

3   Gulick's (Gulick et al., 1937) extension, often known as POSDCORB, is a most famous one. Ever since have managerial work been described by planning, organizing, staffing, directing, coordinating, reporting, and budgeting.

1990; Mintzberg, 1973; Sayles, 1964, Stewart, 1967, 1976, 1982; Ropo, 1989; Watson, 1994; Watson & Harris, 1999). A review of the pertinent literature fails to identify research which has concentrated specifically on owner-managers.

Empirical studies explore either *work activities*, *job analysis*, or *managerial behaviour*. Moreover, many evaluations overlap in focus, use different conceptualizations, and most fail to explicate epistemological assumptions. Findings are idiosyncratic and difficult to integrate, highlighting either the *form* or the *content* of managerial work (Hales, 1986). Although the present state of knowledge is modest and conceptualization of managerial work is inadequate, contemporary initiatives to move the field forward are rare. This dearth of research might reflect shifts between paradigms[4] and a focus on leadership issues.

Overall purpose and main definitions of this study

This thesis involves an inductive inquiry, integrating theoretical elements with empirical findings. *The primary aim is to further the understanding of owner-managers' managerial work*. The aim is to explore *what owner-managers actually do and how they perceive their managerial work within an external context*, not what they should do or how effective they are[5]. Hence the present thesis avoids adopting a normative stance.

Managerial work can be described in various ways. Managerial work is a complex and diverse phenomenon (Stewart, 1976) and thus difficult to operationalize. In order to reach a sound operational defintion of managerial work, investigators must consider the context within which to view managerial work. Further, researchers must decide whether to focus on substance or form of managerial work. What is reported is influenced largely by methodologies employed to explore focal managers (cf. Hales, 1986; Stewart, 1999). Paradigms employed to guide the research process are crucial in this respect. According to Stewart (1989, p. 330), researchers should study either managerial behaviour or pose owner-managers questions about what they do. If the latter approach is adopted, researchers should also recognize the impact these questions might have on research subjects. In the present study, owner-managers were asked a series of questions to elucidate phenomena under investigation. However, it should be noted that they were not provided with any guidance as to how to describe what they did. Questions were probing rather than prescriptive. This process lead to an illustration of the essential features of the focal phenomenon (cf. Marshall & Stewart, 1981).

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4   The work process approach has displaced the largely observational studies in the 1980s (see e.g. Hales, 1993; Lilja et al., 1986; Teulings, 1986; Willmott, 1987). However, due to its structural stance, this approach seems to suit better for exploring management in corporations than an owner-manager's perceptions.

5   Nevertheless, the first article of this study refers to 'the perceived effectiveness of managerial behaviour'. This statement is not a normative one (see Hales, 1986), but reflects how the media seems to perceive and treat the managers studied. The standards used by the media differ, yet the profitability of the business appears to be a central outcome standard. Furthermore, it is assumed that the images created by the media may have, more or less, influence on the stakeholders' conceptions of their effectiveness.

As the starting point for the present thesis, 'managerial work' is defined as "the work owner-managers do". This phenomenon was explored through owner-managers' reports of their perceptions, activities and behaviour including duties and responsibilities. Thus, the research subjects largely determine which work is regarded as managerial and which is not (cf. Studies 3 and 4). To further specify, 'action' is not equated with observable behaviour, instead, the significance of mental acts and activities is also stressed (cf. Silverman & Jones, 1976[6]). As the aim is to present a holistic and dynamic view of the phenomenon, a process view rather than snapshots is employed. Nevertheless, in Study 1 diary data were obtained to capture a wide net of information and to broaden the conceptual framework of managerial jobs and behaviour.

Although leadership can be regarded as more extensive in scope than management (see Suutari, 1996; Wright, 1996), for the present thesis, *leadership*, is defined as interpersonal influence (Wahlgrén, 1995) and regarded as an integral element of managerial work (Kotter, 1999; Mintzberg, 1973; Sayles, 1964). Besides, it is assumed that owner-managers' managerial work is full of variation and contingency. Therefore it is hoped that owner-managers' understanding might help to make sense of the form rather than of the content of their managerial work[7]. Thus this thesis makes a conceptual contribution to the current theories relating to managerial work and behaviour.

Previous findings

Inductive research paints a vivid picture of managerial work realities in which face-to-face interaction, communication and leadership are inherently involved (Burns, 1957; Horne et al., 1965; Kotter, 1982; Silverman et al., 1976). Partners faced in different roles and activities vary and include peers, bosses and various external stakeholders in addition to subordinates. Political and informal aspects of influencing and negotiating are central in most business encounters and relationships (Dalton, 1959; Sayles, 1964). Favours are exchanged together with material resources. Brevity, variety, and fragmentation predominate managers' daily work (Carlson, 1951; Mintzberg, 1973; Stewart, 1976). Sometimes these features reflect reactivity derived from various interdependencies associated with being a manager. Nevertheless, 'reaction and non-reflection' (Hales, 1986) may also be voluntary, date back to seeking and gathering information, and indicate managers' proactivity. Hence, managers' 'seemingly inefficient behaviour' (Kotter, 1982) might reflect that they are pursuing their own interests and agendas; acting thinkingly (Weick, 1983). These contrary views concerning owner-managers' managerial work demonstrate that in order to understand managerial work, observable behaviour and cognition must be explored simultaneously, as these aspects are intertwined.

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6   In aiming to create an understanding of management processes, Silverman and Jones (1976) propose that managerial beliefs and ideology are inextricable from managerial work.

7   Marshall and Stewart (1981) stress that managers' perceptions of their jobs is a 'necessary prerequisite' for understanding their description and analysis of that job.

The form and substance of managerial work constantly evolve. Changes in work can reflect managers' own choices as well as actual or perceived changes in their work environments. Managerial work involves choices as regards to what is done and how it is done. Still, most managers try to increase their self-determination or discretion in work (cf. Kotter, 1982; Whitley, 1989[8]), since the environment presents various demands and constraints on their jobs, behaviour, and personal domains (Stewart, 1976; 1982). Many of the tasks, duties and responsibilities are also related to what is expected by the environment. External expectations can be influenced, changed, or even ignored. The use of relationships and networks seems helpful in this respect. By the same token, what managers do affects their environments and the expectations of others, further highlighting *the circular relationships between managers and those constituting their social environments*. This perspective implies that what managers are and what they do in work – at a specific point of time may be viewed as emergent (Watson et al., 1999). According to this conception, the process of becoming in relation to the social world is ongoing.

Managers define and are defined by what they manage. Accountability or responsibility for that what is managed is central. Sales managers, for example, manage sales and bear responsibility for them (Hales, 1986). However, Silverman and Jones (1976) suggest that managers define their own work and create its constituent activites by communication. This is one reason why it is proposed that the work of managers is the management of their work. Gowler and Legge (1983) extend this conception. These researchers view the 'meaning of management' as the 'management of meaning'. Watson (1994) proposes that while managing their work responsibilities managers are also managing their lives and identities. This view suggests that managerial work entails identity work and 'survival' in it involves remarkable personal challenges.

With respect to this study, the question of what owner-managers are managing is fundamental. On the one hand, their position bears a resemblance to that of managing directors and general managers, yet ownership separates them from employed managers. On the other hand, owner-managers' work often covers all levels of management and involves many tasks, as they are not willing to delegate their work in order to keep control (Gibb, 1996; Kets de Vries, 1977; Nöel, 1989). In both instances, the issue of management and control is central. Being an owner-manager may be seen as a self-created and self-defined profession. For many owner-managers it is a hobby and a way of life as well. Thus, it is proposed that not only do owner-managers define their managerial work, but they also have to manage their lives and identities.

In order to understand fully managers' managerial work, it must be seen from their view point, within the context of previous and present experiences; in the light of their agendas, and within a proper time horizon. Conceptualizing presents outstanding challenges for inductive management research as a whole and, in particular, for exploring owner-managers' managerial work. Therefore

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8   Whitley (1989, p. 212) regards managerial activities as discretionary and organizational. If discretion to mobilize, coordinate and control human and material resources is characteristic of managers, craftsmen or entrepreneurs without employees cannot be considered managers, since they do not coordinate others' work.

this study draws on different fields in order to find conceptual tools to capture holistically the life worlds of the subjects.

1.2   Control points and perspectives

The interaction between owner-managers, their firms, and environment can be explored from different disciplines and perspectives. The four articles comprising this dissertation utilize research and theory derived from different disciplines (e.g. psychology, social psychology, philosophy), in order to to integrate relevant aspects stressed by research. As owner-managers' life worlds, perceptions, and lived experience are considered crucial for understanding managerial work: *the perspectives applied* in studying this interaction *posit subjectivity* (cf. Bogdan & Taylor, 1975; Burrell & Morgan, 1979). Moreover, the way of conceptualizing 'firm' and 'environment' has to be consistent with this view.

Owner-managers

This study focuses on Finnish owner-managers of small-to-medium sized firms. A nominalist definition of an owner-manager is adopted, yet four further criteria were used in the selection process. First, self-employed owner-managers without employees and small craftsman-employers with a few employees were excluded. Second, firms are small or medium-sized in relation to their sector. Third, firms are owner-managed (see Bolton, 1971). Fourth, major ownership involves shareholdings exceeding 30%. Owner-managers selected differ from each other to a remarkable extent. This choice is purposeful and in line with the present research strategy. It is worth noting that only one of the five owner-managers studied is a founder of innovative new types of business[9].

An owner-manager may be considered the essence of a small or a medium-sized enterprise (SME). Given that entrepreneurs are usually owner-managers (Hornaday, 1990), this thesis adopts the view that in most instances owner-managers can be regarded as entrepreneurs: "an individual who establishes and manages a business for the principal purposes of profit and growth" (Carland et al., 1984, 357)[10]. However, there is a perception of the business as an extension of one's personality (Kets de Vries, 1995) and a risk-taking propensity inherent in ownership, but not necessarily associated with entrepreneurship (Schumpeter, 1934). These issues are important when considering owner-managers' entrepreneurial freedom.

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9   Firms associated with different sectors and growth rates can differ in terms of problems and satisfactions experienced.

10   No commonly accepted definitions of 'entrepreneur' exist. This study follows the definition proposed by Carland et al. (1984), although it seems likely that 'the principal purposes' are apt to change over time, as evidenced by Birley and Westhead (1994).

For Mintzberg (1973) the 'entrepreneur' role is one of the decisional roles of a manager (cf. also Drucker, 1985). Within this view, voluntary change might be initiated by managers, but owner-managers tend to face more situations involving opportunistic behaviour than those faced by employed managers. In the present thesis, owner-managers are viewed primarily as managers in charge of their firms. This conception also implies that owner-managers can be viewed as bridging their firms to the external environment. Whether their style of relating may be considered 'entrepreneurial' or not, is of secondary importance here (cf. Covin & Slevin, 1988[11]). Further, since owner-managers act as figureheads, spokespersons, *and* owners expectations concerning the firm are often presented to them in addition to those directly related to their personal position. Owner-managers' potential to fulfil both expectations is anticipated to be bigger because of their dual position. It seems, in fact, that owner-managers tend to identify themselves, and be identified, with their firms. This may be one of the reasons why they are often extensively involved in the business (Kets de Vries, 1995). Such an orientation may, on the one hand, further fragmentation and variety in work activities. By carefully organizing their time owner-managers may avoid part of this fragmentation. On the other hand, extensive involvement in the business offers owner-managers numerous opportunities for proactive interaction with the environment and entrepreneurial behaviours (see Gibb, 1993, Vesalainen, 1995).

External environment

Managerial work is related to its external context. The nature of this relation is, however, unclear, since contextual factors have often been disregarded in research. An external emphasis appears relevant. Owing to their position, owner-managers cannot avoid external interaction, neglect stakeholders, and ignore social responsibility. These aspects have been the focus of investigation during the '90s (see Carroll, 1993; Donaldson & Preston, 1995; Freeman & Evan, 1990; Hill & Jones, 1992; Mitchell et al., 1997; Moore, 1999; Näsi, 1995), as has business ethics, morale, and integrity for sustainable leadership (see Hunt, 1991; Kotter, 1999; Pitcher, 1997; Sims & Lorenzi, 1992).

In the present thesis, 'environment' is viewed as being conceptualized by stakeholders. Stakeholders are defined "as any individual or group who can affect or is affected by the achievement of the organization's objectives" (Freeman, 1984, p. 46). Accordingly, 'external' refers to those stakeholders who are outside an owner-manager's formal control. The expectations stakeholders hold are regarded as central. There are a number of reason for adopting a stakeholder approach. First, stakeholder thinking is well-established among academics and practitioners in Scandinavia (Näsi, 1995; Rhenman & Stymne, 1965). Second, in order to address and illustrate owner-managers' interaction

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11   According to Covin and Slevin (1988, p. 218) the "entrepreneurial orientation of a firm is demonstrated by the extent to which the top managers are inclined to take business-related risks (the risk-taking dimension), to favour change and innovation in order to obtain a competitive advantage for their firms (the innovation dimension), and to compete aggressively with other firms (the proactiveness dimension)".

with the environment, the latter has to be personified. Stakeholders are well-suited for being owner-managers' role senders who convey their expectations. Third, as stakeholder theory may be considered a theory of the firm (Brenner, 1995; Donaldson et al., 1995; Rhenman et al., 1965), a stakeholder approach facilitates understanding what a potential identification between an owner-manager and his or her firm implies.

Firm

In the present thesis, 'firm' is regarded as *a legal and a mental fiction*. This position is in line this with Jensen and Meckling (1976, p. 311) who propose that private firms cannot be owned, instead, they are legal fictions which serve as a nexus for contracting relationships. Stakeholder thinking, in which resource exchanges and the legal and moral stakes they involve are essential, can be easily integrated into this conception. This view is emphasized between an owner-managed firm and its environment. With regard to the relationship between owner-managers and their firms, the idea of a firm as a mental fiction is highlighted. The financial and personal risks business ownership involves are important, as the financial, and personal consequences of a potential bankruptcy can be severe in Finland[12]. It is also assumed that owing to the personal assets invested in the business, a tight psychological bond ties owner-managers to their firms. Accordingly, the aim is to reflect how owner-managers perceive their firms. This stance is important in order to understand their managerial work.

Enactment

The relationship between owner-managers and their external environment is explored from an enactment perspective[13]. Owner-managers are seen to create their environments, as those environments create them (Pondy & Mitroff, 1979). Hence 'environment' is not fixed or singular, instead, it is viewed as partially subjective. Weick (1969/1979; 1995) refered to this as 'enactment' in order to highlight the parallels between legislators and managers. Enactment involves cognitive processes: to cope with the large amounts of constant stimuli owner-managers may use a number of processes including framing (Bateson, 1972), bracketing (Bogdan et al., 1975), or punctuating (Starbuck & Milliken, 1988). This process suggests that owner-managers create breaks in their stream of experience and impose categories to sort meanings. The objects enacted may

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12   Nevetheless, they are related to the type of the company owned.

13   Conceptions of 'environment' have evolved over time. The era of an objective, i.e. given, environment dominated for many decades. In this view the relationship between an organization and its environment was considered deterministic and the amount of choices available for managers limited (Hannan & Freeman, 1977; Salancik & Pfeffer, 1977). During the next phase a perceived environment has gained more supporters. This stance highlights the impact of managers' selectivity, particularly perceptual filters, in outlining an environment (Finkelstein & Hambrick, 1996; Starbuck, 1976). This view indicates that the environment may well be chosen (Child, 1972; Freeman, 1984). The enactment perspective may be seen to represent a third stage of development, yet the links to a perceived environment are close.

exist independently of cognition, yet to receive attention, to be 'called to life', they must be socially constructed with the help of concepts, properties, and uses (Czarniawska-Joerges, 1992, p. 34). Action is important, for owner-managers receive stimuli as a result of their own activity. Owing to the close, processual interaction between owner-managers, their environment, and the firm, enactment has an overall impact. In this way owner-managers' perceptions of business ownership and stakeholder interdependencies reflect, more or less, outcomes of enactment.

Business ownership

Business ownership links owner-managers to their small or medium-sized enterprises (SMEs). The meaning of ownership is addressed while exploring the focal phenomenon of this study. Ownership is an individual and a social phenomenon. The idea of ownership as a right constituted relationship between persons with respect to objects or things is common (Lagerspetz, 1998, p. 26). The legal and economic aspects of ownership are often stressed, however, for owner-managers, ownership is assumed to involve other significant dimensions as well. The impact of psychological, that is, personal, ownership is remarkable (Gibb, 1996; Kets de Vries, 1995; Schein, 1978). Research suggests that shareholding is not a prerequisite of personal ownership, instead, personal ownership seems to be related to freedom and/or responsibility experienced in work (Kanter, 1983; 1989; Mintzberg, 1987; Pinchot, 1985; Peters & Waterman, 1982; Watson, 1994). Thus, this motivational influence may be experienced by managers and employees as well.

By adopting the conception of a firm as a mental fiction the importance of the mental dimension is stressed in the present thesis. M*ental ownership* is seen to contain material and personal ownership of 'the owned'. Accordingly, it is defined as *the perceived rights and expectations owning a firm involves*. Many of the expectations deal with legal and moral rights and duties which resource exchanges with various stakeholders entail.

Interdependency

Perceived interdependencies are central in exploring relationships between the firm and its environment - stakeholders. Lack of resources and impact of resource interdependencies seem to be descriptive features in SME contexts (Vesalainen, 1995). Therefore, power, legitimacy, and urgency are often considered important stakeholder attributes for prioritizing stakeholders' claims, that is, expectations (cf. Pfeffer & Salancik, 1978). These attributes may lose part of their importance when an enactment view is adopted (Mitchell et al., 1997[14]). In this instance, owner-managers' cognitions and perceptions become crucial. Notwithstanding the impact of existing interdependencies, owner-manager determine which stakeholders are primary and which expectations should receive attention and preference. This evaluation takes

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14   Mitchell et al. (1997, p. 868) propose that the existence of the stakeholder attributes is a matter of multiple perceptions and reflects a constructed reality rather than an objective one.

place at two levels: at the implicit level owner-managers exercise judgement, while at higher levels they make conscious choices (Spender, 1998, p. 34). This view implies that stakeholders' expectations are enacted. Further, expectation enactment is hence seen to involve modifying and shaping stakeholders' expectations as well as presenting self-expectations instead (Fondas & Stewart, 1994; Wahlgrén, 1995).

1.3 How to position this study?

"An explorer can never know what he is exploring until it has been explored." (Bateson 1972, p. xvi).

Research reports describe, in retrospect, what has happened in the course of exploring. Writing this introduction has involved retrospective sensemaking over a period of four years and four sequential studies. Looking back it is easy to agree with Bateson's (1972) view that exploring has an impact on what is being explored and that frames of references, concepts, and definitions used limit and change what we see (Martin, 1986, p. 15; Morgan, 1983, p. 13). Moreover, the impact of the explorer's preunderstanding and the influence of her involvement as a research instrument have both been central in understanding owner-managers' managerial work (Guba, 1981).

Emergent research design

The present research design as a whole may be considered *emergent*. Every exploration is guided by explicit or implicit assumptions, which combine the researcher's beliefs about ontology, epistemology, and methodology, and shape how one sees the world and acts in it (Burrell et al., 1979; Denzin & Lincoln, 1998). These premises - whether called a *paradigm* or interpretive framework - link the explorer to the phenomenon studied (Guba, 1990, p. 17; cf. Kuhn, 1970). A research design and a research strategy enable to move from a paradigm to the empirical world. The former describes the guidelines for research strategies and methods of data collection, whereas the latter implements and anchors the premises in specific empirical sites or specific methodological practices (Denzin et al., 1998, pp. 28-29). Both are here addressed as regards the study as a whole. In addition, each article describes its own research strategy. The differences between them reflect the particular interaction the researcher has had with the phenomenon at that specific point of time. Hence they also reflect the stage of her current understanding.

Constructivist-interpretivist paradigm

This dissertation adopts a *constructivist-interpretivist paradigm* (see Figure 3) Three main assumptions are central to this 'naturalistic inquiry' (see Lincoln et al., 1985). First, it assumes a relativist ontology in which multiple realities exist.

These realities are mental constructions, socially and experientially based, and specific in nature. Second, it adopts a subjectivist epistemology. This procedure encourages the researcher and the subject studied to create understandings interactively as the exploration proceeds. In this way, the conventional distinction between ontology and epistemology disappears (Bateson, 1972). Third, hermeneutical and dialectical procedures are stressed as to the methodological assumptions, that is, how can the explorer gain knowledge of that what he or she believes can be known (Denzin et al., 1998).

CONSTRUCTIVIST-INTERPRETIVIST PARADIGM

UNDERSTANDING OF MANAGERIAL WORK

EMERGENT RESEARCH DESIGN

NATURALISTIC APPROACHES
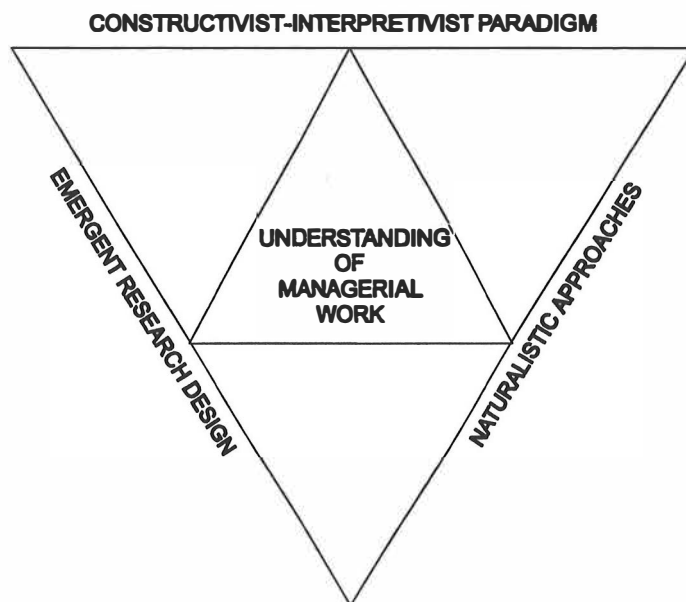
FIGURE 3   The methological setting

The underlying philosophy of science of the present thesis is *hermeneutics*. The aim for understanding, not for positivistic explanation, has guided this investigation from the very beginning (see von Wright, 1971), since the need to further the understanding of owner-managers' managerial work was evident. Hermeneutics highlight the importance of preunderstanding and reflection. Thus, the researcher's subjectivism is accepted and seen as contributing significantly to interpretation and understanding (Gadamer, 1989). Hermeneutics has contributed substantially to the conceptual development of the present research. However, owing to the emergent research design of this study, it also reflects *constructivism*. This is most obvious in Study 2 which draws largely on the subjects' lived experience while exploring 'entrepreneurial freedom' (Wahlgrén, 1998). Although hermeneutics and constructivism differ from each other, both share the goal of understanding the complex world of lived experience from the point of view of those who live it (Schwandt, 1998).

Naturalistic approaches

Paradigms are not explicated in most studies on managerial work and behaviour. Nevertheless, the influence of positivism has been extensive. Observation and questionnaires have been the most popular methods employed. Since they have failed to demonstrate the interrelatedness of purposes with various activities, the use of naturalistic approaches has been encouraged (Hales, 1986; Martinko et al., 1984[15]; 1985; Stewart, 1989). Therefore, the present study has adopted a qualitative and subjectivist approach, and an emic - naturalistic - stance. This position draws attention to the specifics of unique cases. Various alternative naturalistic research strategies exist, yet case studies, ethnographic and phenomenological techniques, and the use of qualitative, historical, and hermeneutic approaches are most common. Most of these strategies assume that it is possible to get closer to an individual's perspective through in-depth interviewing. The absence of a priori analytical categories is also typical, although not necessary.

With regard to the field or domain, this study explores owner-managers' managerial work from a boundary position. First, although it originates in inductive management research, the connections to entrepreneurship are close. In addition, it can also be linked to research on small business management. Second, the external emphasis draws attention to the environment and, thereby, to issues of strategic management. Moreover, while exploring owner-managers' domains 'managerial cognitions' are involved and another connection to research on strategic management opened.

Positioning within organization and management research

Burrell and Morgan (1979) presented a typology for classifying organization and management studies. Their model contains two dimensions: subjective vs. objective, and radical change vs. regulation. The interpretive and functionalist paradigms focus on explaining the nature of social order and equilibrium, while the radical humanist and radical structuralist paradigms stress problems related to change, conflict and coercion. The radical humanist and interpretive paradigms adopt a subjectivist view, whereas the radical structuralist and functionalist paradigms reflect an objectivist stance. This thesis can be positioned within the interpretive paradigm which includes enacted sense making, hermeneutical, ethnomethodological, and phenomenological approaches (Morgan, 1980). The cruciality of human interaction and mentally constructed, yet socially shaped realities as well as the acceptance of intuition and irrationality as significant elements of management speak clearly for this paradigm. Although the use of role theory and a systems approach do refer to the functionalist paradigm, both reflect a subjectivist stance.

Astley and Van de Ven (1983) proposed another classification. They suggest that organizational studies can be positioned, on the one hand,

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15   Martinko and Gardner (1984) propose that idiographic approcahes may be valuable for increasing in-depth understanding of managerial behavior as compared with predetermined, mechanistic categories used in questionaires.

according to their focus on either macro or mirco level and, on the other hand, in relation to deterministic vs. voluntaristic orientation. Their framework consists of four alternatives. The natural selection and the collective-action views concentrate on macro level, while the system structural and the strategic choice views focus on individual organizations, that is, micro level. Further, the natural selection and the system-structural views reflect a deterministic orientation, whereas the collective-action and strategic choice views emphasize a voluntaristic stance. As the present thesis posits the notion of partial identification between owner-managers and their firms and involves links to strategic management, it is positioned within the framework espoused by Astley and Van de Ven (1983). This study represents the strategic choice view, as it explores phenomena at a micro level and stresses enactment. Besides, actors' subjectivism is inherent in the strategic choice view.

1.4 Overview of the articles

The four studies presented in a chronological order have different theoretical orientations and distinct foci (see Table 1). Studies 1 and 2 are inductive. Studies 3 and 4 are conceptual, yet extend the inductive studies. This is why the focus of exploration becomes more concentrated by Study 4. Simultaneously, the focus shifts from action to thought; from observable to mental; from management to ownership; from interpretation to understanding (see Figure 4).
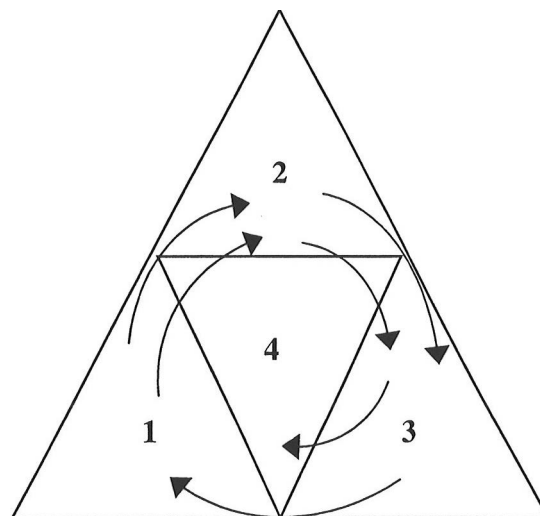
FIGURE 4   The evolution of the study

This process reflects appropriately how the understanding of the researcher has progressed over time (1996-1999). It implies that most of the theoretical constructs introduced in Study 1 are applied and integrated to the discussion in

subsequent investigations. Many of the ideas and constructs used have been drawn outside of organization and management, including social psychology, psychology, and philosophy, requiring integrating meta-language. Therefore, the Study 4 applies a system approach.

The present studies have a number of elements in common. Most of all, Stewart's (1982) model of factual and perceptual demands, and constraints and choices formulating managerial jobs and behaviour has had a profound impact on all studies. Since 'external environment' has been conceptualized by stakeholders, all articles reflect a stakeholder approach. Yet, the stakeholder view remains a secondary perspective. Each study also makes references to 'role'. Role is here defined following Biddle (1979) as shared expectations. Expectations are seen to constitute owner-managers' roles and processes used to formulate their managerial behaviour. Respectively, expectation enactment is closely related to both. Finally, as leadership is embedded in managerial work, it is viewed as an integral element of each study.

TABLE 1   A Summary of the Articles

Title	Similar positions, different leaders – A case study of four Finnish CEOs and the expectations formulating their external managerial behaviour	Entrepreneurial freedom – Just a myth?: An analysis of Finnish owner-manager's perceptions	A manager's domain revisited – A conceptual approach from an owner-manager perspective	A systemic framework for understanding owner-managers' managerial work
Focus	external managerial behaviour	freedom in managerial work	spheres of influence	the relationship between ownership and managerial work
Data / material used	diaries, in-depth interviews and written documents of 4 CEOs	in-depth interviews with 4 owner-managers, essays by 24 owner-managers	literature from various fields, dictionary definitions, previous empirical data	articles 1-3
Methodological stance applied	a case study approach	a pheno-menological approach	a conceptual analysis	a synthesis
Key concept	expectation	freedom	domain	ownership
Important theoretical constructs	enactment, role, leadership	choice, constraint, demand	strategic domain, personal domain, domain of ownership	rights, duties, responsibility
Primary mode of triangulation	methodological: diaries, interviews, written data	methodological: essays, interviews, tacit knowledge	conceptual: literature, definitions, preunderstanding	conceptual & metatriangulation: article 1, article 2, article 3

1.4.1 Expectations and external managerial behaviour

> "Do not worry about holding high position; worry rather about playing your proper role."
> Confucius

The first study of the present dissertation explores *how expectations formulate CEOs' external managerial behaviour* in a social context (Wahlgrén, 1997)[16]. This study focuses on the interaction between managing directors and their external stakeholders. Previous findings are reviewed. As well, the main findings of the researcher's licenciate thesis (Wahlgrén, 1995) are discussed. The four empirical cases of Study 1 are presented in detail, for the theoretical framework proposed emerged largely through their analysis. The framework is integrated by applying Katz and Kahn's (1968/1978) social psychological role theory. In addition, leadership and stakeholder thinking provide important perspectives for understanding external managerial behaviour (see Figure 5).

This article contributes by suggesting a new focus. It emphasizes the importance of external stakeholders in shaping CEOs' managerial behaviour. Although many scholars have since Carlson (1951) highlighted the amount, frequency, types and meaning of external interaction, activities, and relationships, this kind of explicit orientation is novel. Nevertheless, it proves to be most relevant in this era of boundaryless organizations, alliances and webs of networks.

FIGURE 5   A triangulatory view on external managerial behaviour

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16   Similar Positions, Different Leaders – A Case Study of Four Finnish CEOs and the Expectations Formulating Their External Managerial Behaviour, Academy of Strategic and Organizational Leadership Journal, Vol. 1, No. 1- 2, 54-82.

The present study adopts a case study approach. Further, the stance taken is qualitative and naturalistic. The study draws on the lived experience, perceptions as well as reported work activities and stakeholder interactions of four Finnish CEOs. This data were contrasted with and analyzed together with written material provided by a most important stakeholder - the media. Two of those studied are owner-managers. The cases differ also in many other respects, since the ideal was to choose heterogenous, illustrative and thus informative cases. The subjects have been studied stage by stage by using different qualitative methods, yet various in-depth interviews with each have been most important. Methodological triangulation guided the present exploration by addressing themes and questions worthy of discussing during the interviews. In addition, triangulation increased the likelihood of trusthworthiness of interpretations (Lincoln et al., 1985[17]).

Expectations are essential in formulating managerial behaviour. Expectations held by external stakeholders appear to surpass in significance those held by CEOs' subordinates. Managing directors' perceptions of influential expectations appear to be, more or less, related to resource dependencies, that is, stakeholder interdependencies, of their firms. When expectations held by stakeholders diverge clearly from CEOs' own expectations, they are ususally considered either demands or constraints. Sometimes compliance with them may be necessary to ensure that resource exchanges continue, at other instances compliance can reflect the focal managing director's proactivity. Nevertheless, self-expectations are also significant, as at the top executives appear to have various options and many tools for expectation enactment.

Study 1 outlines the foundation for the thesis. The theoretical frameworks proposed highlight systemic elements, most of all, the circular nature of expectation enactment, indicating that external managerial behaviour of CEOs may sometimes reflect a self-fulfilling prophecy. Perceived stakeholder interdependencies seem to have an important influence on whether so called self-fulfilling prophecies prove to be positive or whether they proceed along vicious circles. Moreover, this article proposes an extended view of leadership and argues that the differentiation of external leadership may be neither necessary nor relevant (cf. e.g. Bryman, 1992; Burns, 1978; Hunt, 1991). In contrast, leadership is considered essential in expectation enactment. Study 1 raises a number of questions, dealing with owner-managers. Interestingly, issues raised in this study contradict, in particular, conventional wisdom about the amount of choices available in managerial work. Finally, since the roles of

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17   'Creditability' is regarded as a crucial criterion of validity in qualitative studies (Lincoln et al., 1985), yet other criteria, including 'meaningfulness' (Deutcher et al., 1993) and 'usefulness' (Tamminen, 1992) of interpretations can also be employed. The present study seems to meet all three. As to reliability, Lincoln and Guba (1985) propose that it can be replaced by consistency in a naturalistic inquiry. Consistency stresses dependability. This implies that the factors that may affect the replicability of the study have to be considered. More detailed descriptions of the empirical cases, the data collection methods and processes, and the construction of interpretations are presented in the licenciate thesis of the researcher (Wahlgrén, 1995). Nevertheless, since the researcher is the main instrument of a naturalistic inquiry (Gubam 1981), it seems unlikely that the setting could be replicated.

CEOs reflect shared expectations, the importance of internalizing, that is, accepting, external expectations is also pointed out.

1.4.2 Illusion of entrepreneurial freedom

"Illusion is reality for us as long as we do not recognize it as illusion."
Mika Waltari

Study 2 examines *how owner-managers perceive entrepreneurial freedom as well as its constraints and conditions in their managerial work* (Wahlgrén, 1998)[18]. Freedom appears to be an important topic in many respects. First, conventional wisdom suggests that owner-managers' work contains plenty of entrepreneurial freedom[19] (Koiranen & Tuunanen, 1996). Second, owner-managers seek freedom largely for motivational reasons (Brockhaus, 1982; Dunkelberg & Cooper, 1982; Goffee & Scase, 1983; Huuskonen, 1992; Kets de Vries, 1985). Following start-up intrinsic motivation is necessary to maintain this sense of freedom (Deci & Ryan, 1985; Schein, 1978). Third, since Peters' and Waterman's (1982) research on corporate entrepreneurship investigations have stressed the importance of perceived freedom in work (see e.g. Fulop, 1991; Kanter, 1989[20]; Watson, 1994). In Study 2, these assumptions and views are contrasted with owner-managers' lived experience.

The research task requires in-depth data about owner-managers' life worlds. Since 'freedom' is highly subjective, a phenomenological approach was adopted. This stance implies that the important reality is what an owner-manager imagines it to be (Bogdan et al., 1975, p. 2). Philosophy seems to offer competent tools for grasping this complex and multidimensional phenomenon. Following Sartre (1943/1957), freedom is defined as the perceived opportunity to choose. Moreover, Berlin's (1969) ideas of freedom and its conditions, that is, positive and negative freedom, are utilized. Both views highlight the importance of perceptions, rather than action. In addition, these conceptions are consistent with Stewart's (1982) model (see Figure 6).

Qualitative data of this constructivist study were collected in two stages, utilizing two methods. Data comprised 24 essays written by owner-managers and four conversational life world interviews conducted a few months later[21].

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18   Entrepreneurial Freedom – Just a Myth?: An Analysis of Finnish Owner-managers' Perceptions. Academy of Entrepreneurship Journal, Vol. 4, No. 1-2, 54-74.

19   'Entrepreneurial freedom' is not used in English, however, in Finnish the expression is well-established. The meaning of the term is ambiguous in every-day language.

20   Kanter (1989) highlights responsibility and freedom to take risks. For example, project responsibility leads to ownership of results and may hence substitute for other forms of rewards. Nevertheless, she also reminds that employees still count on hierarchy and support when the risks don't work out. For owner-managers such an ideal marriage of freedom and support is not possible.

21   The purpose of the interviews was to understand themes of the lived daily world from subjects' own perspectives. 'Conversational' refers to the structure of the interview: the interview comes close to an everyday conversation, yet it involves a specific approach and a technique (Kvale, 1996, p. 27). Thus, the role of the interviewer entails not merely obtaining responses but learning what questions to pose and how to pose them (Taylor & Bogdan, 1998, p. 88). In this study, the use of conceptual frameworks, except Stewart's (1982) choices,

Essays enhanced the present researcher's understanding of the phenomenon. Part of this knowledge remained tacit at the time Study 2 was completed, but it has been utilized more fully while working on Studies 3 and 4. An illustration of how entrepreneurial freedom and its constraints are perceived by an owner-manager is presented in detail along with summaries of three life worlds. Since the status of the analysis is interpretative, the detailed account aims to provide evidence for judging the creditability of the findings. In addition, owner-managers' conceptions of entrepreneurial freedom and its constraints are represented by figures.
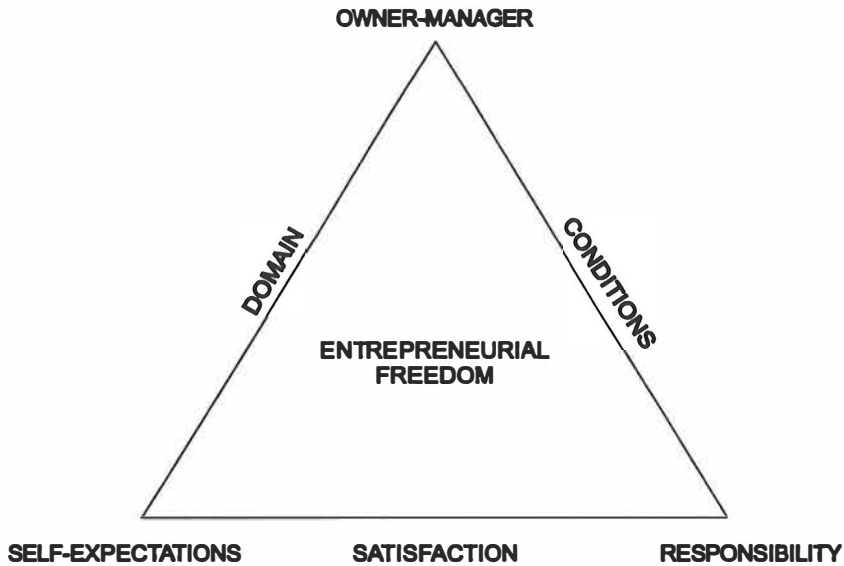
FIGURE 6   A triangulatory view on entrepreneurial freedom

The findings of Article 2 are presented by four propositions and a processual model. Both external and internal, that is, self-imposed, demands and constraints are stressed, yet the conditions of entrepreneurial freedom seem to culminate in profitability. If the conditions appear dissatisfactory, when compared with personal responsibility as an owner-manager, positive freedom in managerial work will not be experienced in full. Unfortunately, dependencies tend to accumulate mentally and may result in tunnel vision. In this way dependencies may even start a vicious circle in mind. Entrepreneurial freedom contains a paradox and presents a heavy challenge: by choosing owner-managers constrain their future choosing. It is concluded that entrepreneurial freedom is illusionary for most owner-managers, however, some may keep this illusion forever and, thereby, maintain satisfaction.

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constraints and demands, was avoided while interviewing owner-managers. Hence 'domain' was not addressed during the discussions.

Owner-managers' personal accounts address important issues and draw attention to new considerations. A number of these issues are explored conceptually in Studies 3 and 4. Importantly, the notion of perceiving oneself as a master or a slave seems to be common. Further, many owner-managers made references to a kind of spatial area possessed, ruled, controlled or influenced by them. Owner-managers reported not wanting this territory to be encroached by outsiders, otherwise they seem to lose their freedom in managerial work and hence transform their experience of work from mastery into slavery. This kind of thinking lead the researcher to explore and redefine the concept 'domain' from an owner-manager's perspective.

1.4.3 Domains to be mastered

"We are neither the master nor the slave of our environment."
Follett (1924, p. 118)

Study 3 of the present dissertation analyzes 'domain'. Domain contains an idea. Domain derives from the Latin adjective 'dominicum' which originally refers to belonging to a lord (The Universal English Dictionary 1961). Over time the concept has developed different meanings, yet its original meaning captures the idea of one's own territory. This article presents *a conceptual framework suitable for approaching owner-managers' work* (Wahlgrén, 1999a)[22]. Domain is not a new area of study. Some scholars (Kotter et al., 1974; Stewart, 1982) have referred to it previously. Study of domain seems popular within strategic management. At present, domain is often used within computing, in particular, for integrating areas of interrelated expertise.

Methodologically this study represents a conceptual analysis, in which an applied philosophical method is combined with the reseacher's understanding. Hermeneutics provides the underlying basis for this interpretative analysis. The tools used in questioning and reflection involve dictionary definitions, previous conceptions adopted in organization and management research, and analogies and contemporary use of domain in other fields. Furthermore, since inductive ideas of Studies 1 and 2 have been essential for the researcher's preunderstanding, they have also an important influence here. Study 3 aims to describe how the hermeneutic dialogue proceeds towards a new understanding of an owner-manager's personal domain and its close relationhips to the other domains involved. In this way the domain framework emerges gradually.

The conceptual framework proposed consists of four domains which are relational and dynamic, reflecting an outcome of mutual shaping between owner-managers and their stakeholders. Expectations and expectation enactment are also important issues. Ontologically the domains are mental representations. An owner-manager's domain, for example, refers to his or her perceived area of influence. It is evident that reflections of its elements may be observed in daily action: in an owner-manager's activities, roles, and

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22   A Manager's Domain Revisited – A Conceptual Approach from an Owner-manager Perspective. Academy of Entrepreneurship Journal, Vol. 5, No. 1-2, 50-69.

relationships (cf. Silverman et al., 1976; Weick, 1979). The present study does not, however, address the extent to which different domains overlap. Yet while domains are idiosyncratic, they also share similarities. For example, an owner-manager's personal domain overlaps the strategic domain of the firm (see Thompson, 1967). The intersection is called domain of ownership. This domain also contains a fourth domain, an owner-manager's managerial domain: which includes a framework for distinguishing owner-managers' managerial work from non-managerial work (see Figure 7). This framework was derived from data in earlier studies: owner-managers perceive themselves to engage in various activities which are 'anything but managerial'. The 'differentia specifica' (Hales, 1986) of their managerial work is difficult to define. Nevertheless, it appears that owner-managers' managerial is closely related to the survival of 'the owned'.
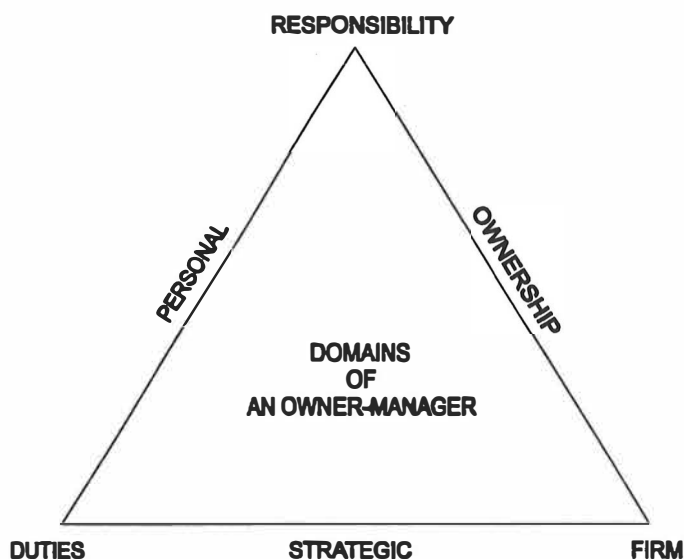
FIGURE 7   A triangulatory view on the domains of an owner-manager

The systemic interplay between domains is evident, yet it requires an inquiry of its own. Many other challenging aspects seem worthy of further exploration. The most important ones deal with domain of ownership, for the meaning of being an owner-manager appears to culminate in ownership.

These three studies indicate that ownership is vulnerable to external interferences and to perceived threats. In addition, it seems that violations of ownership and the rights it entails may spread out into all other domains. This view speaks for the importance of mastery over domain of ownership. However, the systemic elements of the domain framework beg the question: is mastery of one domain sufficient?

1.4.4 A systems synthesis

"For each human, the system he designs is his life, i.e. his self."
Churchman 1971, p. 8

Study 4 presents a synthesis in which a mental model of owner-managers' managerial work is outlined. This article draws on the ideas developed in the previous three articles and further elaborates the domain framework by utilizing the ideas and epistemology of systems thinking. The main objectives are to explore *how owner-managers perceive ownership, and how ownership and managerial work are related in their perception.*[23] In order to achieve these objectives, 'ownership' was analyzed and adapted to suit a SME context. In this way the systemic nature of the framework was explored in detail and relationships between business ownership and managerial work explicated (see Figure 8).
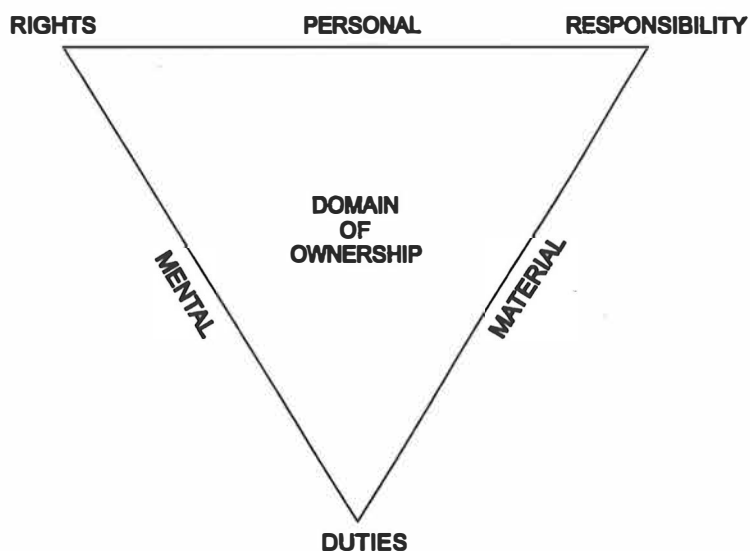
FIGURE 8   A triangulatory view on domain of ownership

This study adopted a philosophical stance with respect to ownership. Ownership is seen as a right constituted relationship between persons with respect to things which may be material, mental, or conventional (Lagerspetz, 1998). Ideas of possessive individualism were used in constructing a new conception of business ownership. An owner-manager owns and manages 'a firm', which implies that he or she mixes work and person with the owned. In this way the owned is added in value and construed mentally. Mental ownership is conceptualized by domain of ownership. This cognitive sphere

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23   A Systemic Framework for Understanding Owner-managers' Managerial Work, Working Paper, N:o 210, University of Jyväskylä, School of Business and Economics.

contains an owner-manager's expectations related to ownership. Domain of ownership creates a context for his or her managerial work. The rights, duties, and responsibility ownership entails are crucial. If ownership does not bring along enough rights when compared with duties and responsibility, it seems to lead to dissatisfaction. In such cases, rights have often been restricted by external stakeholders. A perceived imbalance may start a vicious circle both in mind and in action.

Relationship between ownership and managerial work are complicated, for ideas interact in the world of mind. This implies, for example, that each of the four domains may be seen as both the context for and the outcome of all others. In this way, changes in one domain appear to be reflected allover the domain system. Nevertheless, owner-managers quest for and attempt to achieve mastery. Mastery may be measured by the perceived ability to manage the duties and responsibility embedded in the dual position. Moreover, it may also involve managing one's identity. Hence a refusal to accept external interference in decision-making may reflect an attempt to preserve one's identity. The rights ownership entails are expected to provide the conditions for experiencing entrepreneurial freedom and thereby satisfaction in managerial work.

Study 4 makes three significant contributions: theoretically, practically, and at a meta level. Owner-managers' mental maps and work activities reflect different logical levels, yet they are tightly intertwined as the article explicates. In this way, Study 4 may be seen to draw the attention back towards the beginning of the whole study – and hence close the circle.

1.5 Concluding remarks

This dissertation has focused on exploring owner-managers' managerial work. In this way it has made owner-managers more visible and drawn attention to the meaning of business ownership. Although the present discussion is largely conceptual, the personal accounts of the owner-managers have had an extensive influence on the development of these concepts. This thesis speaks strongly for the practical relevance of findings. Although present findings cannot be generalized, the unique accounts and lived experience reported have important value. Accordingly, the synthesizing domain framework proposed in Study 4 remains tentative, however, it appears useful for management development. In addition, most of the ideas presented in this study can also be utilized in teaching and training. This seems very important, since becoming an owner-manager may be an appealing alternative for many in the near future.

In addition to the life worlds of the subjects, the concepts chosen have been crucial for understanding and model building. Concepts carry historical baggage, yet they can be refined and updated. 'Domain' has proved most rewarding in this respect. One of its strengths concerns its suitability for exploring managerial work at various levels, in concrete and abstract contexts,

and both as an imaginary and a linguistic representation. Such an adaptability has been necessary owing to the shifting focus of each study. Moreover, domain is also well-suited for systems language and metatheoretical discussion.

Although business ownership distinguishes owner-managers from other managers, there does not appear to be a specific theory of ownership suitable for exploring owner-managers' perceptions of business ownership[24]. This surprising conclusion may - and indeed should - stimulate further research into this important topic. It appears that the positive impact of ownership on managerial work is widely recognized in practice, since many companies are making their executives significant shareholders. Owing to the financial rewards shareholdings and options involve, objectives of the firm and its executives may converge. Moreover, the meaning of mental ownership appears crucial for understanding owner-managers' managerial work. By using idiographic approaches, the understanding of mental ownership might be deepened and its reflections on managerial work specified further.

Managerial work is idiosyncratic and constantly evolving. Since organizational hierarchies are flattening, managerial work seems to be intensified and rendered more insecure. Furthermore, both voluntary and compulsory interorganizational interdependency appears to be increasing. Notwithstanding the benefits of new forms of cooperation, it seems likely that managers continue pursuing self-determination and managerial discretion in managerial work (cf. Dalton, 1959; Kotter, 1982; Mintzberg, 1973; Sayles, 1964). For owner-managers, increasing interdependencies may present serious challenges, if entrepreneurial freedom perceived in managerial work, as proposed in this series of studies, tends to become circular and resemble a self-fulfilling prophecy (Kets de Vries, 1977; Welsh & White, 1983[25]). This view implies that owner-managers' mentally constructed realities are, more or less, reflected by their external reality, in particular in relation to the strategic domain. Cognitive processes including affective elements are essential in this respect (see Kets de Vries, 1977). However, external environment and its inputs influence cognitive processes including judgements. By exploring both conscious and unconscious cognitive processes concerning expectations the origins of the systemic mastery or slavery may be captured in more detail[26].

This dissertation draws on theoretical constructs and ideas from different disciplines and fields. However, conceptions have been used merely as means of furthering abstract thinking. Moreover, the different methodological assumptions employed can be traced back to findings of positivistic studies and add to the breadth of the thesis. Utilizing different methodologies is difficult to

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24   Theories of the firm deal with ownership and separation of ownership and control, in particular. These theories focus on either ownership structure or ownership function (see e.g. Veranen, 1987) stressing ownership of financial assets or other material means of production (cf. Jensen et al., 1976).

25   According to Welsh and White (1983) entrepreneurs are self-confident in the pursuit of their objectives as long as they perceive themselves to be in control. However, a small gain or loss in control results in a disproportionate gain or loss in self-confidence.

26   Complex mental processes can be executed without awareness. Accordingly, this knowledge acquired without awareness can influence what we perceive, feel, and do (see e.g. Westen, 1990).

avoid when utilizing entrepreneurship research which has - so far - largely adopted a nomothetic approach.

In closing, no firm conclusions on owner-managers' managerial work can be proposed here. This is consistent with the contructivist-interpretivist paradigm adopted. In addition to the frameworks suggested and unique life worlds illustrated, various questions worth exploring further are posed in each article. In this way, this dissertation may stimulate further research on both owner-managers and managerial work. Some suggestions are worth mentioning. Since most of the owner-managers studied here are middle-aged, young owner-managers' perceptions might provide an interesting point of reference. The impact of gender might also be worth exploring in more detail, as only one of the owner-managers of this study was female. Finally, owner-managers of the new and fast-growing innovative firms might provide additional perspectives on the challenging relationship between ownership and managerial work.

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40

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PART II: THE ARTICLES

First article: Similar Positions, Different Leaders – A Case Study of Four
                  Finnish CEOs and the Expectations Formulating their External
                  Managerial Behaviour

Abstract

Expectations have an essential part in formulating managerial behaviour. This
paper focuses on studying external managerial behaviour of CEOs in a social
context and suggests that social psychological role theory offers a competent
means for approaching the phenomenon in question. The aim is to describe and
explain the intriguing interplay between the CEO's self-expectations and the
expectations held by his/her external network of stakeholders. In this inductively
oriented case study the modification of expectations seems to culminate in and
around interpersonal influence - leadership.

Keywords: managerial behaviour, leadership, role theory, expectations,
             stakeholders.

INTRODUCTION

What do managers really do? This simple, perhaps rather naive question has stimulated a plethora of studies focusing on a variety of different managers since the writing of Sune Carlson in 1951. However, a kind of mystery is still shrouding "managerial work" and scholars in this field are apt to admit that the real progress has been rather unsatisfactory, with the answers presented only partially, and the integration of the contribution inadequate. Thus, few will question the relevance of the subject - studying these socially vital jobholders, their work, jobs and/or behaviour - but has to recognize that existing challenges still exist. Unfortunately, research in this area seems to be considered rather old-fashioned, an evident indication of which is the lack of recent studies concentrating on the topic. Therefore, one objective of this paper is also to attempt to re-highlight both the significance and the prospects of studying managers and their work.

The primary foundations for research focusing on managerial work can be found in the classical school of management thought. The mesmerizing contribution of Henri Fayol (1916/1949) and some of his successors such as Gulick and Urwick (see e.g. Gulick & Urwick, 1937; Urwick, 1943) have stood the test of time in the form of POSDCORB. However, even in this theoretically oriented management school there is no real consensus about what the relevant functions of management are (see e.g. Carroll & Gillen, 1987; Hales, 1986; Routamaa, Hakuli & Ryhänen, 1992).

Managerial work has also been studied from a more practical orientation by some researchers who have favoured either the inductively oriented job-analysis (see e.g. Stewart, 1976; 1982), work activity (see e.g. Carlson, 1951; Mintzberg, 1973) or managerial behaviour (see e.g. Kotter, 1982; Sayles, 1964) studies. Their contributions have shed light on different aspects of the issue what managers really do. The fundamental aim has been to better relate managerial work to reality. Thus, instead of the normative, universal and rather abstract lists of functions, they have mainly approached the research subject - whether "jobs" or "work" - by describing its general nature, characteristical features and lists of elements. As a result, most of these researchers have questioned and respectively disproved some common myths about managers and their work.

However, this challenging field of study is surrounded by ambiguities (see e.g. Hales, 1986; Martinko & Gardner, 1985; Stewart, 1989). The main criticisms have been concerned with the conceptual confusion around the subject, the atheoretical and acontextual means used while analysing it, and the lack of attention to effectiveness. On the other hand, the prominent critics have made suggestions for researchers in the inductive approach to be able to move forward from repeating slightly modified replications. Above all, role theory or role framework has been proposed as useful means for analysing both the influence of expectations on managerial behaviour and the effect of individual actions and preferences on behaviour (Hales, 1986). While designing the research setting for this study these suggestions have guided all our choices, but the implications are most explicit in the integrated theoretical framework of the study (see also

Wahlgrén, 1995). In this paper the emphasis will be in the empirical findings, but the paper starts with shortly presenting the theoretical background and after that the research setting.

THEORETICAL BACKGROUND

This study belongs to the inductively oriented managerial behaviour research tradition. The phenomenon studied has been focused on "external managerial behaviour". How to define "external" is rather complicated, because the demarcation between the organization and its environment is more and more indistinct due to the increasing alliances and other partnership arrangements. The solution used here is simple: all those people and groups which are outside of the formal control of the managers in question are considered external. By choosing this narrow external focus and respectively the supporting top-level orientation we want to highlight the growing importance of nonlinear managerial work, the expectations of external stakeholders and extensive leadership thinking. The stance taken implies an underlying query about the relationship between environmental determinism and expectation enactment in external managerial behaviour. By enactment we refer to the notion of managers proactively creating suitable environments for themselves (see e.g. Bell & Staw, 1989; Weick, 1969/1979). The selected managerial work elements are deduced from those inductively oriented studies, which can be integrated with external focus (see e.g. Fondas & Stewart, 1992; 1994; Kotter, 1982; Mintzberg, 1973; Sayles, 1964; Stewart, 1967; 1976; 1982; 1989).

The main source of influence has been Stewart's extensive contribution (e.g. 1967; 1976; 1982; 1989). Her model of both factual and perceptual demands, constraints and choices formulating managerial jobs has proved to be useful. Fondas and Stewart (1994) have further elaborated on the theme and presented a comprehensive integrated framework suitable for analysing managerial behaviour with an enactment perspective (cf. Miner, 1987; Tsui, 1984)[1].

The political nature of managerial behaviour was first identified by Sayles (1964). He stressed clearly the importance of the horizontal and/or nonlinear dimension in managerial behaviour and introduced the idea of relationships as modifiers for managerial assignments.

Most of Mintzberg's (1973) well-known managerial roles and characteristic features seem to be valid even when we focus on managers' external environment solely. In his empirical study of five chief executives, he concluded that due to occupying a position of formal authority, the manager is immersed in interpersonal relationships. These relationships provide access to informational roles, which in turn, enable the CEO to perform his decision making roles. And finally, Kotter's (1982) main contribution for this research is the ultimate

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1   The preliminary setting of the original study was outlined and the data collection started in October 1993. Thus we could not properly try to utilize the sophisticated suggestions presented by Fondas and Stewart in 1994.

introduction of networks - and networking (see Luthans, Rosenkrantz & Hennessey, 1985; Sayles, 1964). The most stimulating aspect of this study is his implicit insights of managerial work "as a medium as well as an outcome of the interpersonal networks in which it is embedded" (Willmott, 1984, p. 358).

When studying such a classical issue as managerial behaviour is, we need to approach it with some new perspectives. The perspectives were chosen sequentially, and partially arising from the hermeneutical dialogue between original theoretical ideas and the qualitative data collected. *The first of the assisting perspectives* is leadership, which can be seen embedded in the focal phenomenon (see e.g. Kotter, 1982; Mintzberg, 1973; Sayles, 1964). Actually, the choice is indisputable, because for us, leadership reflects the essence of management, and is also applicable in an external context. Some scholars have suggested the concept "representational leadership" for externally oriented leadership behaviour (see e.g. Hunt, Baliga, Dachler & Schriesheim, 1988). However, we propose that external leadership - whether transactional, transformational or super leadership - does not diverge from internally oriented leadership fundamentally (see e.g. Burns, 1978; Nanus, 1992).

To fit the external context, leadership is defined rather broadly. From hundreds of definitions available (see e.g. Bass, 1981; Bryman, 1992; Hunt, 1991; Yukl, 1989) we have adopted the basic idea of interpersonal influence, the most common denominator in a variety of definitions. The emphasis is on the interactive and mutual nature of this influence which extends across, over and beyond the vague organizational boundaries. And more specifically, we prefer observing this interpersonal intentional influencing between a CEO and his/her external stakeholders as a contingent and political phenomenon. This implies that both parties want to further different interests and values and from time to time, the roles of the influencer and the influenced may be changed.

The second perspective selected is stakeholder thinking. This approach is quite a traditional way to conceptualize the various coalitions with which every manager has to deal all the time. In Scandinavia stakeholder concept is well-established thanks to the Swedish scholars Rhenman and Stymne (1965), who in their "interest group" model presented a useful framework for analysing organizations (cf. e.g. Näsi, 1995). According to them, stakeholder management is action oriented and culminates in nurturing stakeholder relationships. Freeman (1984) further cultivated the idea and suggested using the stakeholder approach in strategic management. He proposes that the external role of the executive is crucial: that in order to be effective, the CEOs have to act as spokespersons for the stakeholders, take an active role in both social and political processes and serve as builders of coalitions. We have adopted Freeman's definition and perceive stakeholders "as any individual or group who can affect or is affected by the achievement of the organization's objectives" (Freeman, 1984, p. 46).

The links between stakeholder thinking and managerial work in scholarly writings are easy to find. Most researchers in the inductively oriented tradition have either implicitly or explicitly operated with "constituencies" (see e.g. Carlson, 1951; Kotter, 1982; Mintzberg, 1973; Sayles, 1964; Stewart, 1982). Stakeholders - both internal and external - have been mainly used as means of classification in either data collection, description or analysis. However, the vigour of the concept

has not been sufficiently utilized. In this study, a CEO's external network of stakeholders consists of both formal and informal relationships with individuals outside his/her formal authority. The suggestion is that in order to cope with the excessive workload the CEO must either implicitly or explicitly rank his/her relevant stakeholders. This individual ranking may considerably differ from that of the organization as a whole due to some organizational factors, existing relationships and interdependencies, and personal variables. The ranking is believed to be reflected and verified in the CEO's allocation of time and personal effort. The essential element in both stakeholder thinking and interpersonal networks is some kind of stake or exchange. The most common managerial objectives of a personal nature in this exchange have been to get information, to exchange favours, to bargain, to influence, and get agendas implemented (Kotter, 1982; Sayles, 1964). We suggest completing the list by expectations as byproducts of other stakes and expectation modification as the intentional outcome of mutual political leadership processes.

Role theory is concerned with studying behavioural roles characteristic of persons and contexts (Biddle, 1979). As the *third perspective* of this study we have adopted the social psychological role theory presented by Katz and Kahn (1966/1978). It has provided the essential means for integrating the other perspectives chosen and for theoretically analysing empirical data. First, role framework is generally considered useful for analysing occupational and social positions. Associated with each formal position and social status including that of the CEO is "a set of activities or expected behaviors" (Katz & Kahn, 1978, p. 188). The focal person is thought to behave in relation and in response to these expectations received from his/her role senders. Second, these expectations concerning appropriate behaviour, as well as some of the responsive rewards and punishments concerning compliance, are communicated during interpersonal interactions between the focal person and role senders. Correspondingly, interpersonal interactions or contacts seem to be the essential element in managerial activities, as evidenced by all scholars in the field (see e.g. Carlson, 1951; Luthans, Hodgetts & Rosenkrantz, 1988; Sayles, 1964).

Third, thanks to critics of role theory (see e.g. Biddle, 1979), it has been reiterated that focal persons can influence their role senders. For our framework, this emphasis on one's own choice implies that by leadership the manager can become "the source or otherwise affect or effect the expectations sent" (Fondas et al., 1994, p. 88) in order not to be a mere puppet in the puppet-show (cf. Carlson, 1951). Whether this circular process is called "expectation enactment" or leadership, the outcome of this intentional modification of expectations and mutual adjustments may culminate in a situation, in which the expectations of the role senders will iteratively converge on the self-expectations of the CEO. Finally, as Tsui (1984) suggests a manager's perceived compliance with the expectations held by the role senders has close links to their judgement about his/her reputational effectiveness, an important issue somewhat neglected. She also states that the effectiveness of a focal manager depends on both the nature of the expectations and the influence relationships among the role senders (Tsui, 1984, p. 65).

In this study a focal CEO's external network of stakeholders is perceived as his/her role senders. They communicate their expectations - demands and constraints - during the continuous interactions with the CEO. The received role consists of the research subject's perceptions and interpretation about this sent role. Role behaviour is partially the CEO's response to these expectations and partially it reflects his/her own behavioural choices including self-expectations as well. In this paper we propose that a CEO's actual role behaviour will eventually reflect the current outcome of this mutual process, *"the shared expectations"*. These shared expectations will be illustrated by the empirical roles of the CEOs, which are supposed to consist of not only the positional but also the personal expectations for the managers in question (see Biddle, 1979, p. 125). Each manager has an integrated role or a gestalt - the fundamental expression of his/her response - and some supporting roles directed to different stakeholders (cf. Mintzberg, 1973). However, the enormous diversity and ambiguity of the expectations are believed to be indicative of role differentiation, too.

RESEARCH SETTING OF THE STUDY

The empirical study concentrates on describing and analysing the external managerial behaviour of four Finnish CEOs. The highest level of management was chosen in accordance with the external focus. As the primary theoretical argument for the setting, we first presume that both the possibilities of choice and the load of external demands and constraints are most evident at the top level of boundary management (see e.g. Pfeffer & Salancik, 1978; Stewart, 1982). Second, we want to point out the enormous amount of effort and time the managing directors invest into externally oriented behaviour (cf. Carlson, 1951; Kotter, 1982).

Traditionally the scholars in inductively oriented management studies have used both quantitative and qualitative approaches. The proponents of the former methodological approach favour large samples and statistical analysis aiming at generalizations in the spirit of positivism (cf. Silverman, 1993). Their typical methods have been structured observation and surveys (cf. Martinko & Gardner, 1984; Luthans et al., 1985). The supporters of the qualitative alternative have different philosophy of science as a starting point and thus divergent goals. The aim for increased understanding of a complex phenomenon has been the leading motive for these researchers (see Martinko et al., 1985; 1990). One of the important criteria is the ability of the methods to provide a holistic perspective. Another significant point is the claim for deep and rich data collected by the active interaction between the researcher and the subject(s).

The main methodological positioning of this study is rather analogous to many studies in managerial work activity and/or job-analysis tradition (see e.g. Carlson, 1951; Kotter, 1982; Mintzberg, 1973). Instead of collecting specific data from a large sample, we have followed the suggestion presented even by Martinko and Gardner (1990) and turned to the qualitative avenue. We have been looking for a holistic view of the external managerial behaviour of the CEO. For this purpose a case study approach has been seen as the most appropriate (see e.g.

Gummesson, 1991; Yin, 1989). The basic research question of the original study has been explicated as follows: *what is the external managerial behaviour of the CEO and how is it formulating?* The governing purpose has been to increase our understanding about the phenomenon chosen. In order to reach this purpose, we have had to proceed through three main objectives: theoretical, methodological and empirical.

The empirical part of the study draws on the experiences, thoughts, perceptions and actions of four Finnish CEOs. In order to create in-depth or thick descriptions of the subjects and to try to understand their realities we have had to limit the number of the CEOs studied. The case managers were chosen by using a two-dimensional framework as a starting point. The first of the dimensions was the "status" of the CEO, professional employed manager vs. self-employed owner/entrepreneur. Second, we used the type of the firm - industrial vs. service sector. In addition to this we have used purposeful stratified sampling (see Patton, 1990). The strategy for selecting the CEOs - Heli, Tapani, Kalevi and Marja - has been based on the ideal of having very different, illustrative and thus very informative cases.

The evident heterogeneity of the CEOs is rather problematic for the analysis of the data. At the same time it can be regarded as a strength for the description and this external managerial behaviour exploration. Yet, "the variation of variation" can be considered as a common denominator in most conclusions about the essence of managers and their work (see Hales, 1986; Stewart, 1989). If this kind of reasoning is arrived at even with a purposefully homogeneous sample, we could argue for choosing a different system, as well. Finally, as this study has also been used as a means of testing the theoretical framework and of generating new ideas for future studies, we believe this heterogeneity can be useful.

The CEOs and their behaviour have been studied stage by stage by using different methods: diary techniques, some observation, various kind of open interviews and a plethora of written documents. By using a variety of sources, it is our intention to build on the strengths of each of them and thus minimize the weaknesses of any single method. This kind of multimethod or triangulation approach for both fieldwork and analysis increases both the validity and the reliability of the data (see e.g. Yin, 1989). However, the unstructured interviews have been the main method of data collection because of their ability to lead the researcher closer the world of the research subjects (Bogdan & Taylor, 1975). At the other extreme, the three different diary techniques have produced more "factual" data. The fundamental idea in field work has been to use the prevailing data as a base for a kind of hermeneutical preunderstanding for further data collection and research setting refinement.

The researcher did not know any of the CEOs before data collection. Three of the four managers could be approached by telephone for the original permission. The fourth one, Marja, was reached by using the assistance of one of her subordinates. After these references, she decided to agree. The repeatedly explicated claim for contextual approach in management studies is reflected in our cases. The intention is to describe all CEOs and their firms together with their external stakeholders, business environments, even though two of the CEOs - Tapani and Marja - wanted to remain anonymous. The cases do not solely portray

the diversity of both the subjects and their behaviour, but also the unstructured, even elaborative nature of the interviews. All the CEOs have read and accepted the original case descriptions and role interpretations (see Wahlgrén, 1995)[2]. For the validity of the study this represents an essential confirmation. In this article the interpretation intertwines with description mainly due to space limitations, but the primary interpretations will be presented in a summary table (Table 1) and the four figures illustrating the formulation of the external managerial roles of the CEOs involved.

THE CASES

Heli - the visionary entrepreneur

> "As I said with this label on my forehead - after 25 years in (travelling) business - the thing which makes it easy is that everybody knows me. But if I were different, I would use the official way, writing letters etc... But I can't even imagine anything like that! Everybody would start laughing at once..."

Heli represents the owner-manager of two different firms operating in the service sector. The older one of the firms is a travel agency which she established 12 years ago. The other is a hotel which she bought a couple of years ago. Strategically the firms have certain synergetic advantages and a lot of common customers. The co-owners for both firms are all members of her family. They have chosen to keep themselves in the background and leave the stage totally for the talented "positively labelled", narcissistic actress (cf. Kets de Vries, 1994). In this respect Heli's position implies a wide personal domain with plenty of choices.

At 45 this lively, charismatic but rather contradictory CEO perceives work as her hobby, as "a nice game". Heli shares all her time between her two businesses and new embryonic projects. Nearly 70% of her total working time is devoted to and scattered around external stakeholders. The early mornings and late evenings she spends in the hotel and the rest of the long, hectic day passes by in the travel agency. Whichever the location, Heli does not hide herself behind doors or secretaries but stays visibly available. And wherever this CEO goes, the business goes with her: analogous to the ideas of MBWA, she takes her one woman "road shows" with calculated and spectacular entrées to her stakeholders, even into the main street of the town.

Heli considers herself a special network person and thinks that the fundamental secret of her success is to have such a good grip on the hundreds of people including all relevant representatives of her stakeholders. The leading motive in her managerial behaviour seems to be the forceful need for achievement supported especially by external recognition, wide publicity or simply "thanks" as she prefers to put it. She utilizes all the publicity available, even though denying this fact occasionally. The visibility is just the starting point but an effective way

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2 The cases reflect the situation during the period of the data collection, which was completed by January 1995. Thus at the moment there have been some changes concerning both the CEOs and their firms. In this paper we try to shortly refer to the most important ones.

of opening doors for enlarging her domain or circle of influence (cf. Covey, 1989). In interpersonal interactions she uses charismatic leadership mainly by means of fascinating speech to influence and to make an unforgettable impression. And as an outcome of interactions the proactive, intentional "labelling" is consolidated as her key weapon in the service business (see Figure 1).
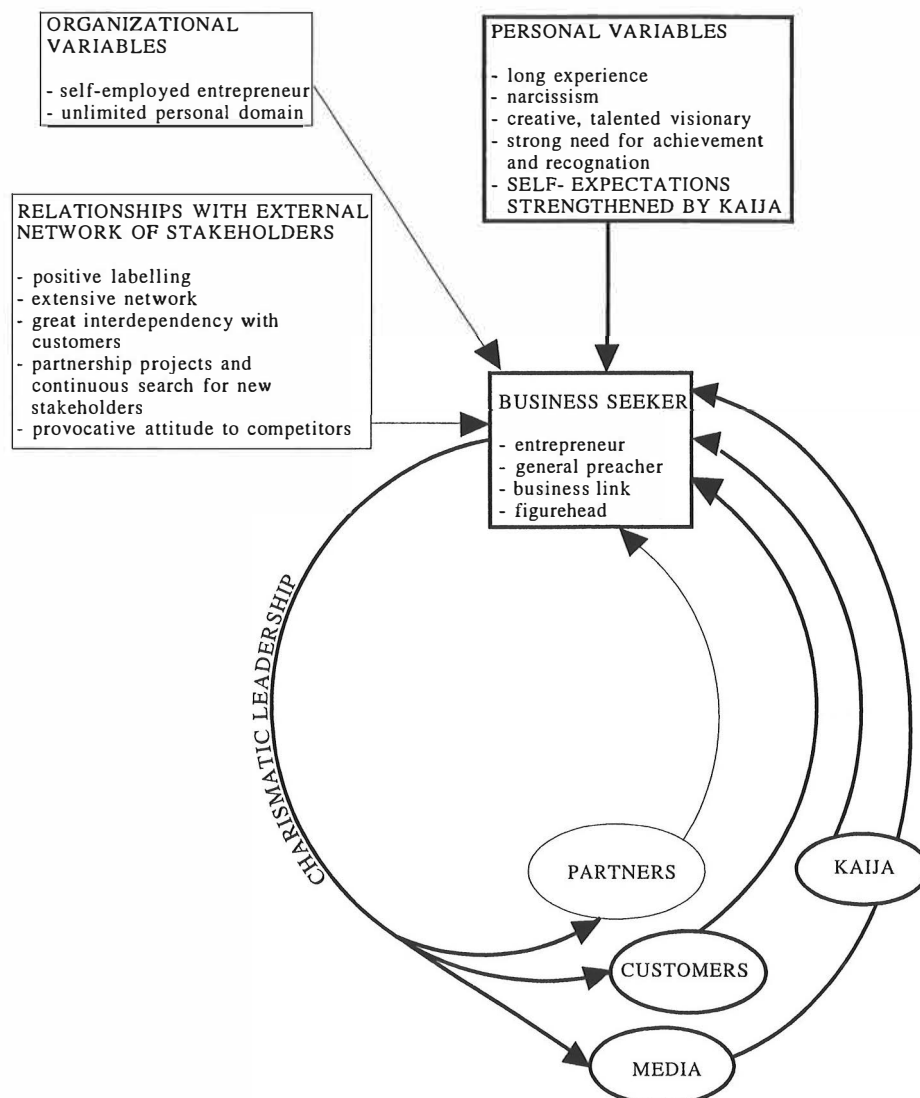

FIGURE 1   The formulation of Heli's external roles

Heli's energy seems enormous and her creativity is manifested in her wide known visions. Most of her visions are externally oriented and only indirectly related to

her business. As the business link, this intrinsic entrepreneur has invested a great deal of her time to start up several regional projects together with local, regional and state authorities. When enthusiastically preaching her visions among her stakeholders, she moves the audience emotionally and "creates understanding" by means of illustrative examples and metaphors (cf. Westley & Mintzberg, 1989). It is difficult to evaluate if her motives are as ethical as she likes to put them or not. However, it is obvious that in addition to the public good, she skillfully continues making the most of these partnership projects. The support obtained from the local media is astonishing. The articles praise her visions, her personal courage and the significance of the ideas for the community. And, as a byproduct, the articles both draw more and more customers to her firms, and especially help in communicating her eloquent but cleverly formulated self- expectations to a wide audience.

Customers are by far the most important external stakeholders for the CEO according to both the time invested and her personal ranking. The underlying logic is that customers include all other relevant stakeholders as well. The basis for good relationships either with her bank managers, mayors, press people or local municipals dates back to their history as Heli's customers. The sensitive maintaining of these interactions happens very easily. Even though the travel agency has many competitors in the town, the restaurants of her hotel represent the top gourmet alternative in the region and offer the number one stage for her to engage into her all-consuming business seeker role. Besides informal interaction, the CEO with skilful leadership sort of nurtures her network by presenting them her newest visions and asking for their opinions and acceptance. By this active involvement she gets them committed to her ideas and has her self-expectations reinforced, too.

Heli's network of stakeholders has some eccentric features, as well. With regard to the single individuals, the most important of them is her clairvoyant, Kaija. Kaija's superior position among the external role senders reflects best the mutuality in the modification of Heli's expectations. When the CEO "feels powerless, confused or exhausted" she contacts Kaija who communicates her high expectations combined with "enormous amounts of energy". And accordingly, as Eden (1993, p. 164) referring to the Galatea effect proposes "credible high expectations communicated by an authority figure, whether experimenter, instructor, manager, psychologist, or consultant, lead individuals to expect more of themselves and to perform better". While repeatedly worrying about Kaija's potential death, the CEO reveals her extraordinary influence on both her self concept and self-efficacy, and correspondingly, on her entire behaviour.

Occasionally Heli's external managerial behaviour with the emphasis of choices continuously expanding her domain, appears to result in a sort of paradox. Especially the competitors with conflicting self interests, obviously envious of the public good will and angry with her provocative, imaginative marketing campaigns, seem to be prone to use some sanctions if she still neglects their sent role. Heli has recognized the early warnings of new potential constraints, but instead of compliance she has proactively - and faithfully to her character - created new alliances with other influential stakeholders. However, occasionally being in the focus of this contradictory and complex web of expectations, her fear of failure

arouses anxiety, which momentarily culminates in her inability to comply with the primarily self created expectations held by her network of stakeholders.

> "This has been such a nice game for me, a game that has given me a lot... I was born in this town and the citizens have known me ever since when I at the age of three was sitting on the roof of a shed and yelled: I am going to be a manager. I have told these stories of mine and now I have to be - and it is not actually have to be for me - but I want to mirror the image they have created of me. And my most important mission is to be Heli, to be for the people, what they expect me to be..."

As a whole we propose that Heli's personality has a crucial impact on her external managerial behaviour and the corresponding labelling. Her creativeness and narcissism have built the ground for this circular self-fulfilling prophecy (see e.g. Eden, 1993). The CEO's charismatic leadership most evidently shapes the expectations of the majority of her external stakeholders according to her preferences. Heli's managerial behaviour is both driven and energized with her constant desire for new challenges in order to get stimulation, excitement and to fulfill her needs for achievement and social respect. The organizational reality constructed by the founder and her relationships with her stakeholders enable her to continue enacting her environment for the moment. However, if the positive labelling were damaged in any way, the CEO would have to alter her managerial behaviour.

Tapani - the novice expanding social capital

> "I should know plenty of new people now... Jorma has had that kind of a checking list. He has kept asking me how well I do know this and this person, what do I know about his/her potential chances to influence and potential impact of his/her actions (for our business)..."

Tapani is the CEO in a medium-sized manufacturing company producing food stuffs and employing about 250 persons. The turnover of the company varies around 250 million FIMs, half of which comes from exports. Tapani is one of the three owners who bought the firm seven years ago. Originally the company belonged to one of the four Finnish retailing groups and the production was mainly sold to the owning group. Before starting as the CEO at the age of 48 (in May 1993) Tapani worked there as a marketing manager. After the management-buy-out financed by heavy loans, there have been a lot of rearrangements and after his first year as the CEO the firm showed best profit during its long history. However, due to the recession, the problems partially created by remarkable seasonal fluctuation in demand appear to reflect seriously on the liquidity of the company. At the same time, the first implications of Finland's decision to apply for the membership in the European Union do not make the situation easier for the industry either[3].

Tapani has remarkable experience in sales and marketing. After quitting intermediate school he headed for business by choosing a commercial school instead. Since then he has been working for both Finnish and international firms

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3   Actually, one year after the data collection was completed the company was bought by a big Scandinavian competitor. Tapani's formal position as the CEO has so far remained the same.

operating in consumer markets, the oldest of which is his well-established relationship with the Finnish retailing chains and their representatives which date back to thirty years ago. Basically, the whole risky management-buy-out was partially possible just because of the CEO's strong personal relationships with all other retailing groups.

The CEO's new position presents, however, plenty of novel demands and constraints and a general claim for a broader perspective - for a totally new managerial frame. The most inconvenient constraints originate in the firm's strong resource dependence on its banks. Some of the current demands are also clearly internal and related to the CEO's position. During the two-week diary data collection, Tapani was still trying to immerse himself into the internal, mainly operational processes and issues of the massive company thus practising for external trouble shooting. This was indicated on his nearly 50/50 time distribution for external/internal interactions. One third of the total working time of about 100 hours passed in time consuming interpersonal encounters: formal negotiations and informal "getting to know each other" social happenings. Almost all of these heavily representational interactions had been planned well in advance and most of them had been initiated by the CEO himself.

Anyway, the emphasis in this CEO's work is focused on expanding the external relationships. The most important aim is "to get inside into the noncommercial stakeholders". This classification of his includes in addition to the banks and other financiers, insurance companies, the local community and many organizations. The interaction with political decision makers and influencers both at communal and state level particularly seem to be rather frequent (see Figure 2). Their potential stake most obviously deals with the support needed in case of more acute financial problems to be faced by the firm. As a significant employer in the region, Tapani's company could take advantage of the existing good relationships with the union representatives, too. The expectations of this powerful network with common interests certainly culminate in the survival of the firm, and as for Tapani, in his active behaviour in contributing to this goal.

The CEO's predecessor, Jorma, the present chairman of the board, has been of great help for him in order to build and to maintain a wider network of stakeholders. Also Jussi, Tapani's elder brother and a recently retired area manager of another retailing chain, has been actively introducing him into new local "old boys'" networks. Together with Tapani's father, these gentlemen with decades of managerial experience have while mediating their knowledge bases also strongly influenced the novice's managerial behaviour by introducing their rather dominating expectations. This could be one possible explanation for the obvious uncertainty or even inferiority reflected in Tapani's modest personality. Characteristically, he is ready to admit this and even refers to previous psychological tests indicative of his need for a strong, balancing person with whom to work (see Figure 2).
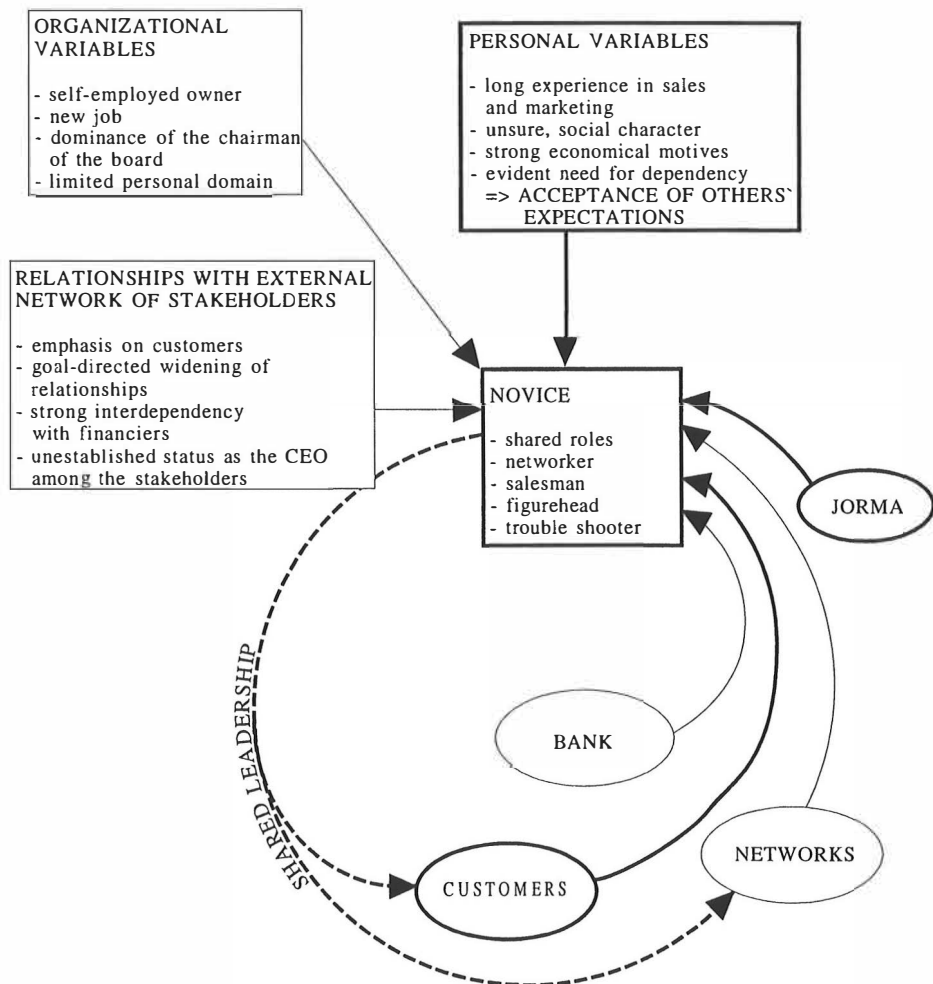
FIGURE 2   The formulation of Tapani's external roles

At the moment the expectations of the external role senders for the CEO seem to both mediated and interpreted by his forceful referee, who most often takes part in important external interactions, too. Confusingly, at least part of the expectations held for the CEO are still actually directed to the former CEO, Jorma. During the data collection even the local press published a couple of articles about the company citing Jorma's comment mistakenly as that of the CEO, but quite correctly as that of the real spokesman of the company. Tapani seems to perceive his mentor's influence both as a constraint and a facilitator. The synergy created by the dual management and shared leadership is obvious, but nevertheless, Tapani would appreciate a wider personal domain. The relationship between the CEO and Jorma is strong and the frequency of the interactions is very high, but fortunately the interests of both co-owners converge. As a whole Jorma can be

perceived as Tapani's mental authority and implicit role model (cf. e.g. Bandura, 1986; Eden, 1993).

Tapani's general strategy for stakeholder management continues the tradition of the company. "Everything is based on creating confidence" by maintaining good relationships, informing all stakeholders sufficiently and being trustworthy. Fortunately, a sort of personal honesty and openness is also characteristic of Tapani and even in his current position, he wants to behave accordingly. The ranking of customers and financiers or vice versa as the primary stakeholders seems to be realistic in the light of the survival of the firm. Even though the CEO describes his relationships with competitors as "exceptionally good", he wants to keep distance and prefers avoiding all kind of cooperation. In this way he probably communicates his unwillingness for considering their expectations.

Tapani still invests his personal effort primarily to his customers. The reasons are at least twofold. First, the firm's customers are primarily big wholesalers and retailing chains accustomed to insisting and getting a heavy personal contribution together with excellent service from their suppliers. And, because of the high competition in domestic markets, the CEO does not risk losing the nurturing of these personalized relationships and complying with the old established expectations. Second, it is obvious that his sociably behaviour flavoured with plenty of humour still reminds mostly that of a sales/marketing person. He does not deny feeling "most comfortable" with his own customers. A simple but logical explanation seems to be that the expectations sent by customers reflect his own prevailing preferences - his self-expectations, and thus while operating in this arena, he can count on his own competence.

The external managerial behaviour of this CEO puts the emphasis on the significance of character, as well. Because of his personality Tapani has been accustomed to accepting and adopting the expectations of forceful persons around him. The outcome of this social learning process has certainly been helpful for Tapani to some extent, but on the other hand, it has discouraged him from behaving according to his own expectations. The resulting stance implies an evident danger of getting into a vicious circle of expectations created by others. During Tapani's transition period in which he should unlearn the past behaviour and move into the next higher level, his retiring mentor's support seems essential. Yet, the prevailing conditions appear to present too many demands and constraints both as regards to the strategic posture of the company as well as the personal domain of the CEO. As a sort of secondary spokesman and figurehead, the CEO feels at ease and able to make some choices of his own, but even in these roles, he would need leadership skills, those skills which are most difficult to transfer even by his insightful mentor. At the moment networking with an emphasis on bargaining reflects the most dominating differentiated external role of the novice.

> "I won't reveal the issue, but one day I was discussing with Martti, our marketing manager... So I told him that I have a friend, who owes me a favour. It was a business issue and I phoned to this fellow... And we fixed it. Afterwards, we started joking and I said that now it's I who own something."

Kalevi - the politicking negotiator

> "These confidential posts have been rewarding also because the memberships have enabled easy interaction with the top level executives of the competitors. It has an essential influence."

Kalevi, 58, is the CEO of a big regional retailing business corporation. He received his master's degree in accounting and has many years of experience within the retailing group including almost all different managerial jobs and levels. When he came to his present job 13 years ago, he started reorganizing the whole business. At the same time a series of regional fusions took place in the group. Kalevi managed this change far better than most of his colleagues in other areas. His cooperative retailing business with its turnover exceeding one billion belongs to one of the three leading retailing groups in Finland. The CEO's effectiveness is evident both inside the group and compared with the competitors in the region. As one result of his success, he has obtained an exceptionally wide personal domain in his job, which is most evidently reflected in its external focus.

It is difficult to describe the CEO's personality. The interpersonal encounters and discussions mediate a dominating, carefully adopted impression of "professionalism": his polite behaviour is strictly matter-of-fact, the distance remains appropriate and his comments are carefully considered. As a whole, Kalevi obviously wants to keep himself in the background. This choice is quite analogous to the influence strategy of this experienced negotiator: arguments, evidence and facts will speak for themselves (see e.g. Kipnis et al., 1980; 1984). The vigour of this strategy seems to intensify when we focus on Kalevi's external network of stakeholders consisting of the top level executives of competitors and communal authorities or decision makers responsible especially for town planning.

Kalevi could be considered as a master politician of the social relationships[4]. The CEO's external leadership skills have been tested and refined in numerous instances and due to this learning-by-doing process, he favours a kind of contingency approach in leadership. He is actively and proactively trying to influence the opinions of the influential people both in his town and the surrounding area (see Figure 3). And respectively, in this enactment process, the CEO is concentrating most of his energy to the representatives of the local community and government. Having a good command of the relevant network of stakeholders and wide access to critical information is made easier by his active participation and high positions in many kinds of voluntary business organizations (e.g. the Chamber of Commerce), different formal and informal clubs (e.g. the Rotaries) and many important posts in the national/state level (e.g. the employers' organizations). Time is truly money for this busy executive and he knows how to make most of it:

> "Well, it is always the case that in order to cope with your schedule you must - when considering these stakeholders - seek those central influencers, the keypersons, because it is by those contacts it works."

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4   According to Hosking and Morley (1991, p. 228) knowledge base refers to "knowledge of how to structure issues to protect and promote interests. Process knowledge includes knowlededg of who - who to go to build understandings - and through whom to mobilize influence".

ORGANIZATIONAL
VARIABLES

- professional employed manager
- self created organization
- wide personal domain
- established networks inside
  the group

PERSONAL VARIABLES

- expertise in the industry
- ambition, need for achievement
- need to influence
- need to protect one`s privacy
- STRUCTURED SELF-EXPECTATIONS

RELATIONSHIPS WITH EXTERNAL
NETWORK OF STAKEHOLDERS

- high-level, extensive relationships
- various networks
- intensive participation in the
  management of the group
- good relationships with the media
- evident interdependency with
  municipal decision makers
- ambivalent relationships with
  competitors

POLITICAL LEADERSHIP, DISTANT CHARISMA

NEGOTIATOR

- networker
- spokesman
- balancer

COMPETITORS

GROUP

MEDIA

MUNICIPAL
DECISION
MAKERS

NETWORKS OF
INFLUENCERS

FIGURE 3   The formulation of Kalevi's external roles

His approach to external work is carefully structured, reflected and adapted to the present life cycle of the firm. A sort of contradiction with the commonly described characteristics of managerial work is evident in other ways (e.g. the source of initiation and the duration of interactions). He points out that the manifestation of external managerial behaviour is always a result of the personal emphases - self-expectations - of the CEO. The strong strategic orientation and the evidence of institutional management are reflected in many modes of his behaviour. These

aspects demand a close contact with the top management of the whole retailing group in Helsinki. And so, the CEO visits the headquarters once or twice every week excluding summer time. The visits are obligatory also due to some of his confidential posts.

Although the CEO looks after the stakeholder management of the firm as a whole, he has "abandoned" certain stakeholder contacts and "left them to the specialists". One of these delegated stakeholders is the customer. In this consumer cooperative business, many of the customers represent the owners. The representatives of the owners - both on the board and the advisory board of the company - have, however, a high priority in Kalevi's stakeholder ranking. This arrangement enables realistic possibilities for complying with their expectations, or rather "balancing" them. The CEO generally aims at "balanced situations in which all the relevant perspectives have been taken into consideration". According to this logic, he at least perceives his behaviour being formulated in the same way. The setting implies that Kalevi's self-expectations are carefully explained, mutually processed, adapted and at some point partially accepted by his role senders, too.

The focused consideration of external stakeholders is evident in many other ways. For some of them (e.g. financiers and suppliers) the CEO has simply limited the amount of personal effort. He thinks that being personally present at the ceremonial annual briefings, negotiations and social happenings is quite sufficient at the moment. However, if things got complicated and any conflicts arose, he would turn to face-to-face encounters, in which the partners have to represent the top decision makers. His strategy of selective personal interaction and learnt shared expectations is obviously valuable during these demanding interactions.

Kalevi's external managerial behaviour can be analysed on two "levels". The more overt and more general of them is the open, factual and discursive approach of the CEO best highlighted in and by the media. Actually, he perceives the whole "cooperation" with the media as an essential part of his behaviour. The publicity offers him excellent chances to express his opinions and indirectly influence the public in the name of "fair and balancing" information. His widely recognized expertise and a sort of distant charisma have proved to be useful in assisting him for these purposes as well.

On the other hand, for more specific purposes, Kalevi relies heavily on using personal networks. One of his main arguments for this partially covert networking emphasizes the idea of giving up single firm perspectives and thus instead crossing the boundaries in the name of municipal/regional/national good. And, seen from the perspective of the retailing industry, the interdependency and interrelatedness of the whole system creates evidently a lot of constraints which could be reduced by cooperation. However, the CEO is also an indirect proponent for the "old boys'" networks while admitting certain side effects, too. The concluding argument illustrates both his attitude toward some competitors and a typical message mediated by his skillful political leadership.

> "It is very important in such small country as Finland is that people know each other. Especially if we think about it from the perspective of the society or beyond the usual conflicts or interests. To put it another way: none of us should be compartmented. If we choose to do so, our chances to compete in this internationalizing world will be much worse."

Marja - the teacher in high technology

> "Well, speaking about the dilemma of why somebody is successful... I have a couple of credos. One of them is that everything is based on hard work, after all. To succeed in one area is different from succeeding in another, but I do believe in working hard. And on the other hand, personally I am... well... in a way a person with a strong will, which implies that I form a comprehension about that. I have a sort of view or vision about how the things should proceed and what should be done."

The fourth case manager is Marja, the CEO in a Finnish high technology business. Her firm with its billion class of turnover is by far the largest in this study and operates mostly abroad. The firm is a part of one of the largest groups in the country and the unit of this female legend in her early forties has been growing extremely fast. Marja has been in her present position since the firm was established about ten years ago. Previously, she had utilized both of her dominant characters: first, the analytical side while working as a researcher and then as the practitioner while working both abroad and in Finland for the current group and other firms as well.

The global environment of Marja's unit is turbulent and the competition among the ten main competitors is "crushingly hard". In spite of her 3000 employees, the CEO stimulated by intellectual challenges is still actively dealing with the operational questions and, for example, taking part in business negotiations all over the world. Actually, she thinks that one of her most important responsibilities is to try to create creditability between her foreign customers and their stockholders whether in the United States or in China. The domestic external stakeholders she prefers to leave to the top management of the business group. However, after being appointed a member of the Board of Directors during the period of data collection, her attitude has perhaps been changed[5].

Marja could be regarded as a workaholic. The dominating position of work does not anymore reflect her own choice but rather the demands of the ever-growing markets. However, one of her mottos centering around the idea "life is for learning" balances the situation mentally. Her working days, frequently including Sundays, are extremely long - often 16 hours - and she tries to minimize all the wasted time by for example travelling during the nights. Marja spends yearly about 100 days abroad and a couple of weeks visiting the subunits in Finland. The amount of externally oriented work usually exceeds 60% and much of the external interpersonal interaction is initiated by herself. This is also evident in her rather obsessive habit of keeping in constant contact - at least by phone - with her stakeholders: whatever the time and during any occasion she seems to continue the building of relevant relationships in all time zones.

In one respect Marja differs a lot from the other CEOs of this study: she wants to keep her person totally out of the limelights. Instead of any kind of public labelling and cover stories, she desires and is able to concentrate on business. This decision is rather contradictory with the policy of - and accordingly the expectations of - the company and Marja does admit that publicity would help the

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5   Bryman's (1992) suggestion about leader's potential "need to become a teacher, constantly creating new learning experiences for members of the organization to give them a sense of new ideas and of what they can achieve" can easily be adapted to Marja's behaviour with her customers.

business. The approval from the top management of the group indicates the amount of personal choices available for this CEO. Marja's relationship with those above is "generally good and nothing she has suggested has been denied" according to her. Most of her external work with the top management deals with the strategic planning of the company and the differing forms and options for cooperation between the units of the group.

Abroad the CEO has an active general attitude to all external stakeholders. Before the meetings she holds her "drill" prepping, briefing, checking and further coaching her "colleagues". During the encounters with the stakeholders, she tries at first to convince them of the competence of her firm and then starts inspiring confidence. Anyway, most of Marja's external behaviour is directed toward and dedicated to customers. Her relationships with them are especially strong and close in nature and this all strengthens the personalizing and identifying of the company with her. Their totally different cultural backgrounds require an enormous adjustment for the female CEO and the amount of their total investments demand attention for their continuing partnership. Her active involvement is customers' projects, for example by participating in their planning, has made it easier for her to use her leadership skills as a coach or actually as a teacher (see Bryman, 1992, p. 117)[6].

> "Yes, they are indeed our partners-in-profit. The nature of this business explains partly the personal, I could say very personal relationships which I build with these people..."

The most critical expectations come from those customers with whom the partnership relationship has been well established. They expect her to personally comply with theirs needs as a trouble shooter wherever and whenever there is a problem to be solved even though there would be plenty of better technical experts available. Under these circumstances the CEO alters all her plans and schedules and heads for her partners (see Figure 4).

Influencing people seems very easy for Marja. She is very open, charismatic and has an evident ability to make anybody feel comfortable. Actually, she thinks that her gender has been useful in approaching strange people. One lesson of her own "getting wiser -process" is that she does not have to play according to the very formal, stiff rules men are using, but instead relieved from the fixed expectations "you can just go, smile and take them and thus get the atmosphere relaxed". Of course, her success and "legendary fame" have also prepared the way for her in the industry and the positive expectations generally held facilitate all kind of interaction. And, in a male dominated business environment women are certainly more easily remembered, too. The main difference in the CEO's behaviour between her own people and the external ones is "a slight addition of formality and a decrease of yelling". However, her enthusiastic and intelligent personality together with her expertise are the main instruments while educating her network.

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6   As Hogkinson (193) suggests it is typical of these leaders, "poets" that they keep negotiating for the principles they cannot compromize. These principles or values are exceptionally strong, because they are strengthened by the strongest human motivator, one's will.
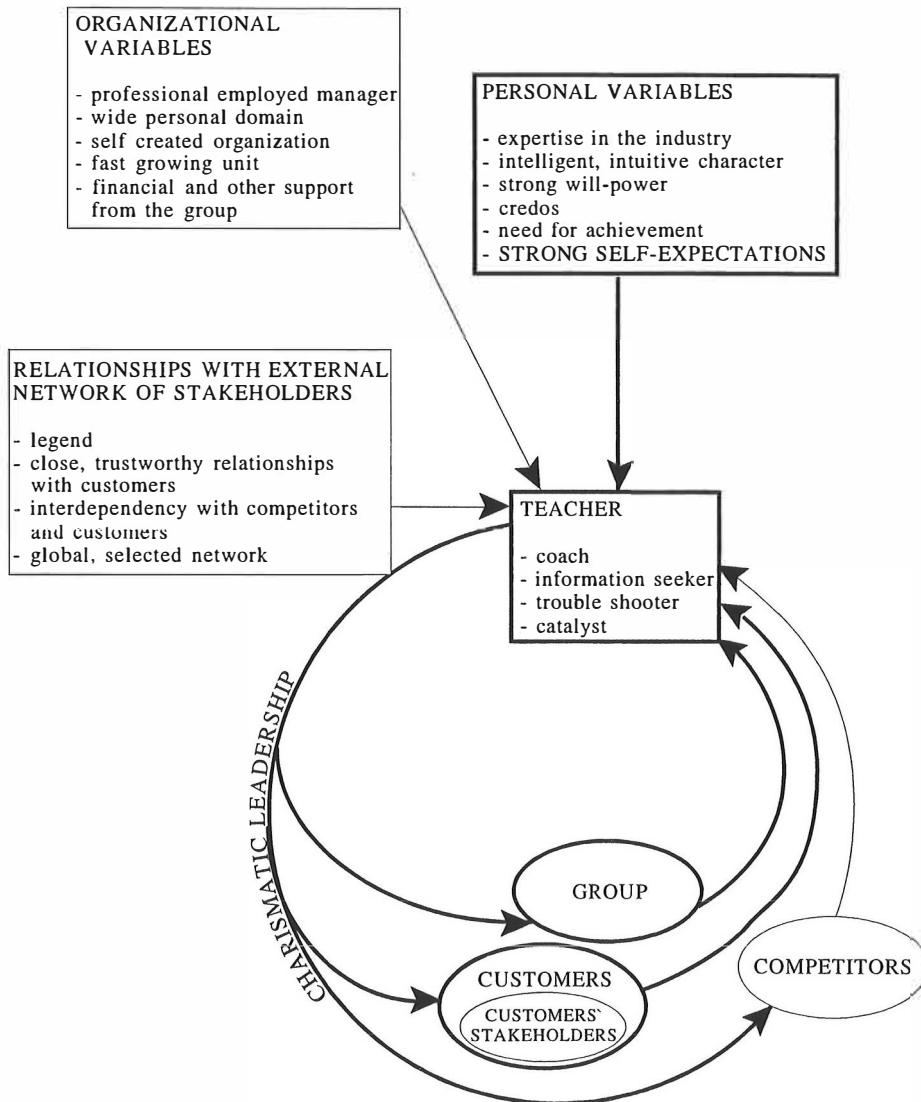
FIGURE 4   The formulation of Marja's external roles

The CEO deals a lot with the main competitors and they present great challenges, both demands and constraints, for her. Marja's experiences from previous strategic alliances have made her rather skeptical about intensive cooperation and she considers the fundamental problems of alliances to be analogous to marriages. This implies also that the keys to happiness are to be found in the mutually accepted and shared fair and equal expectations guiding the relationship of the partners. However, when time goes by these expectations are apt to change and the problems arising threaten one's strategic choices, one's independence.

Marja's networks consisting mostly of customers, competitors and authorities are self-evidently international. She makes a clear distinction between directly work related networks and the more personal ones. The main goal for both is to be properly connected: instead of collecting information, she strives for knowledge, which enables her to build her own understanding and to make her own choices. The early warnings and a constant attention to the local markets are conveyed well in advance to be useful strategically. Realistically, "the substance of the interactions comes long before the form" and the leading principles for interaction and influence originate in Marja's personal value commitments. Values and strong conviction guide her way while encountering contradictory expectations. Marja accepts herself as user of power, but "will never lobby for things behind which she can not stand with conviction". That is also the reason why the CEO refuses using cabinets and informal networks.

The main role of the CEO culminates in a learning teacher capable of accurate situational analyses and practical applications suitable to needs of her external partners. In her external managerial behaviour, she is mainly self directed and chooses her own methods faithful to her personality. Marja's self-expectations culminate in enabling and furthering others to understand by offering them her own expertise, explaining and creating trust and enthusiastically influencing them. The methods of her behaviour alternate in emphasis depending on the partner and the situation. However, every now and then, the expectations of her customers surpass all others and crystallize in the role of an industrious trouble shooter. Among her competitors, she primarily behaves as a seeker of information and with those above her as a creative and courageous catalyst. As a whole, Marja's personal domain is exceptionally extensive and the resources of the group help her as much as possible to widen the strategic domain, too.

DISCUSSION

Managerial behaviour cannot be studied in isolation - neither from the rest of the person nor from the environment in which the focal manager works. In this paper, we have tried to approach our phenomenon - external managerial behaviour of the CEOs - with a stance toward pointing out the significance of both the social context of the manager and the incumbent him/herself. In addition to describing and interpreting the external managerial behaviour of the case managers, we have also tried to build understanding about how their behaviour is formulating. The assisting perspectives, leadership, stakeholder thinking and social psychological role theory, have proved to provide consistent means for studying the phenomenon in question at the top level of the companies (see Table 1).

The contribution of the assisting perspectives intertwines with expectations. The expectations sent by the external network of stakeholders and the self-expectations of the CEO seem with varying emphasis to formulate the external managerial behaviour of the subject. The focal CEO's managerial behaviour, existing expectations and the relationship between these two are modified, shaped and refined during a circular, interactional process. By the ambiguous role concept

we have referred to the present outcome of the process - to the shared expectations held for the focal CEO and also tried to illustrate what his/her external managerial behaviour is. Both the holistic, integrated role and the differentiated roles of the CEOs emerging from the data aim to capture the essence of the behaviour instead of trying to explicate roles as absolute descriptions of individual acts or actions.

TABLE 1   A Summary of the External Managerial Behaviour of the Case CEOs

	HELI	TAPANI	KALEVI	MARJA
ORGANIZATIONAL VARIABLES	autocracy	dominance of the chairman of the board	prominent personal domain, support from the retailing group	prominent personal domain, support from the group
MAIN PARTNERS OF THE INTERACTIONS	customers potential partners	customers networks	group board local authorities	customers group partners
STRUCTURE OF THE NETWORK OF STAKEHOLDERS	wide multilevel	narrow getting wider	focused highest level key persons	focused mainly top level
HOLISTIC ROLE	business seeker	novice	negotiator	teacher
DIFFERENTIATED ROLES	entrepreneur general preacher business link figurehead	networker salesman trouble shooter figurehead	networker spokesman balancer	coach information seeker trouble shooter catalyst
MOST IMPORTANT ROLE SENDER	customers	co-owner	retailing group	customers
NOT RELEVANT ROLE SENDER	competitors	competitors	customers	media
LEADERSHIP	charismatic leadership	shared leadership	political leadership distant charisma	charismatic leadership
DOMINATING VARIABLES	self-expectations narcissism clairvoyante	expectations of others Jorma as a role model	self-expectations ambitions group	self-expectations will-power customers
STYLE OF INTERACTIONS	dramatic appeals stakeholders' feelings	sociably humorous	tactful matter-of-fact	uncomplicated matter-of-fact
FOCUS LEVEL OF MANAGEMENT	operational strategic	operational	strategic institutional	operational strategic

The stories of the business seeker, the networking novice, the politicking negotiator and the teacher are both fascinating and challenging in their diversity. These holistic roles highlight strongly the significance of the CEO's personality including such important inner forces as aspirations, needs, fears, defenses and self-images. As regards to the female CEOs there seems to exist a partial lack of fixed expectations. Marja and Heli have utilized this extra chance for choices and filled the void by skillfully enacting their self-expectations reflecting their idiosyncratic characters. Although there are some differences in the differentiated roles of the CEOs, too, each of them is expected to take care of the spokesperson and trouble shooter roles. The coexistence of these roles suggests that they basically reflect expectations sent for all incumbents to a CEO's position (cf. Mintzberg, 1973).

The possibilities and the resultant vigour of self-expectations in formulating the CEO's managerial behaviour seem to be remarkable. In three of the four cases the external managerial behaviour is mainly adapted by one's self-expectations and the enactment of expectations is enabled and facilitated by leadership. The basis for this interpersonal influence is to be found in the CEO's perceived expertise, charisma and/or creditablity. The variety of interests puts also emphasis on the political aspects of leadership including negotiation skills. The successful compliance with expectations - whether one's own or sent by the network - seems to create preconditions for a process leading into a self-fulfilling prophecy (cf. Eden, 1993).

The case managers modify their external contexts by leadership and the context modifies their behaviour by demands and constraints. The importance of organizational context including the macro level interdependences and organizational variables (e.g. structure, size, division of work, resources) remains ambivalent. The general impact is reflected in how the CEO perceives his/her strategic domain. Marja highlights the point, Kalevi feels to be in control at the moment, Tapani evades the basic question and for Heli these demands and constraints seem to be indifferent. Some of the effects are mediated into the personal domains of all CEOs, even though they might at least partially neglect those expectations. The status of the CEO - whether an entrepreneur or an employed professional one - does not necessarily determine the width of the personal domain. On the contrary, the cases indicate that the personal domain can, at least to a certain extent, be deserved and taken: in addition to expertise and reputational effectiveness with skillful enactment of expectations.

The contribution of personal relationships as formulating external managerial behaviour appears to be remarkable as anticipated (cf. Kotter, 1982; Sayles, 1964). Every CEO has a multilevel network of external stakeholders tied together with different bonds (cf. Granovetter, 1992). The close social and emotional ties of the CEOs' core network imply about both evident interpersonal attraction and the high frequency of interactions, which both further the enactment of expectations (see Fondas et al., 1994). With regard to more formal work related networks, the importance of economical ties increases and the CEOs must obviously comply with some expectations of their critical role senders. The networks of Kalevi and Marja are focused, especially compared with those of the

owner-managers consisting of various relationships established during long work histories.

It seems that there are a lot of alternative theoretical perspectives which may provide important insights into the formulation of the CEO's external managerial behaviour. However, this theoretical framework has proved to offer relevant means for an inductively and qualitatively oriented approach. The methodology used has enabled a holistic view of the phenomenon, unfortunately at the inevitable cost of generalization. If expectations are accepted as a crucial element affecting managerial behaviour and the dilemma of the relationship between environmental determinism and the manager's own impact on his/her external behaviour is considered worth further research, the methodological choices present evident challenges. The potential of observational studies to detect these cognitive social processes seems to be questionable (cf. Martinko et al., 1990). With regard to surveys, the basic problem remains the same, but with skillfully designed questionnaires, we could perhaps both verify or falsify the framework and move forward by refining it.

CONCLUSIONS AND IMPLICATIONS

This study seems to provide some evident implications both for researchers in this field and for the actors studied - the managers. The contribution of this paper deals first with *the integration of theoretical concepts*, which has accordingly enabled us to inductively focus on a new, alternative perspective - the external behaviour of the CEOs. The empirical findings cannot be generalized. Rather on the contrary, the cases emphasize the idiosyncratic nature of the external managerial behaviour, as has been originally assumed (cf. e.g. Miner, 1987). However, the conceptual framework and the external focus of the study have turned out to be relevant: *the significance of the external network of stakeholders as role senders as well as their expectations seems to surpass those of the CEO's subordinates*. Especially the primary importance of customers' expectations is worth noticing.

The empirical findings can be reduced to a proposition lending support to role theory: *the external managerial behaviour of the CEOs is circular* (cf. Katz et al., 1978). They also support partially the model of expectation enactment presented by Fondas and Stewart (1994), in spite of the external focus. Most CEOs' roles reflect considerably their self-expectations. Many variables dealing with either the characteristics of the CEO or the relationship between him/her and the role senders have facilitated the enactment of these shared expectations in this study. The analysis investigated the positive influence of the perceived effectiveness of managerial behaviour, the frequency of interactions, the personality and the gender of the CEO, and leadership. With support of these variables together with either factual or perceived compliance with enacted expectations, a positive circle of expectations - a sort of halo - starts emerging. This potential self-fulfilling prophecy calls for confidence in the CEO's ability to comply with expectations, which may be created by leadership and facilitated by influential referees,

networks and the media. Surpassing the level of expectations and constantly fulfilling critical expectations will strengthen the positive judgements.

Respectively, the vicious circle of external managerial behaviour can originate in many variables outside the control of the incumbent. A heavy resource interdependence of the company obviously makes the enactment of expectations difficult. The situation is complicated if the expectations sent are contradictory, the macro level interdependence(s) is strong and the personal variables of the focal CEO are unfavourable. One alternative choice is to try to make changes in the stakeholder coalition by means of newcombination (see Rhenman et al., 1965). This implies a strategy of finding new groups more receptive to one's self-expectations (cf. Fondas et al., 1994; Tsui, 1984). The clever adjusting of self-expectations to the interests of the powerful stakeholders could perhaps help in breaking out of the vicious circle.

Leadership is embedded in the core of external managerial behaviour. The impact of leadership on enacting expectations is essential. In the light of the empirical cases the categorial differentiation of "external leadership" is neither relevant nor necessary. In addition to expertise, the leader's personality and political skills are highlighted. The female CEOs emphasize their charisma, intuition and visionary leadership furthering the interests of the stakeholders. On the other hand, the male CEOs are more apt to take advantage of the informal networks mobilizing influence (cf. Kotter, 1982). As a whole, the proactiveness of behaviour indicates also intelligent social action: the CEOs' self-expectations mirror skillful tactical and strategic anticipative reflection.

To summarize, *expectations formulate our behaviours.* The concept of expectation is meaningful both theoretically and practically. This paper proposes that shared expectations as manifested in CEOs' roles can contribute in furthering understanding about managerial behaviour. If the relevant role senders and the CEO share the expectations for the latter's behaviour to a sufficient extent, they will start treating the focal manager in uniform fashion, too, thus reinforcing his/her role (see Biddle, 1979, p. 123). This theoretical simplification seems to offer significant chances for the CEOs. By skillful enactment of expectations they may be able to take the lead among their external role senders, too.

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PART II: THE ARTICLES

Second article: Entrepreneurial Freedom – Just a Myth?: An Analysis of Finnish Owner-managers' Perceptions

Abstract

Being an owner-manager implies freedom in many respects and in different meanings. Above all, conventional wisdom suggests that owner-managers' work contains plenty of freedom. This paper brings up this unexplored topic and addresses different aspects of the persistent myth. It focuses on how entrepreneurial freedom, its constraints and conditions are experienced in owner-managers' managerial work. The background of this interdisciplinary study originates in the inductively oriented management research. The context is supported by conceptual tools derived from the resource dependency perspective, the stakeholder approach, and, most importantly, from philosophy. The most important common denominator integrating the views is the concept of 'choice'. The qualitative data collected by written essays and conversational life world interviews aims to further the understanding of the phenomenon. The empirical emphasis is on the Finnish owner-managers' perceptions, which imply the multidimensional and processual nature of negative and positive freedom experienced and highlight the importance of profitability, in particular.

Keywords: managerial work, freedom, choice, constraint, owner-manager, entrepreneurship

INTRODUCTION

Research on managerial work, jobs and behaviour has a long history but the present provides still plenty of challenges. Extensive though the body of knowledge it remains ambiguous and incomplete. In part the 'variation of variation' retarding the progress of this field derives from conceptual confusion and atheoretical, decontextual research settings (see Hales, 1986). One of the clearly unmapped areas deals with owner-managers, for the majority of the numerous, mainly Anglo-American studies conducted since Carlson (1951) have focused on employed managers. This neglect is somewhat surprising especially now that the global quest for more autonomous entrepreneurial managers and intrapreneurs is strongest. In addition, at the moment it is widely argued that during the next millenium the impact of owner-managed firms on world economy will increase tremendously. Both trends speak for the relevance and actuality of this focus. Further, although the demands of 'new managerial work' have been advocated during the last decade (cf. Kanter, 1989; Handy, 1993), the resulting effort is inconspicuous. Meanwhile, the interest as a whole has been diminishing alarmingly. Therefore all attempts at moving the body of knowledge forward by mapping unexplored contemporary areas are valuable, due to their implications for management education and practitioners in addition to theoretical contribution.

This attempt concentrates on self-employed owner-managers' managerial work and 'entrepreneurial freedom' experienced in it. Indeed, this is not a study of entrepreneurship per se, but entrepreneurial freedom is examined in the context of owner-managers' managerial work with a special orientation to external social environment. This is important for those who see relevant conceptual and empirical differences between entrepreneurs and owner-managers (cf. Carland et al., 1984). The philosophical focus originates from conventional wisdom, which holds a persistent view that being an owner-manager implies freedom in many respects. To capture this multifaceted issue with various meanings, freedom is here defined following Sartre (1943/1957), who perceives that the ultimate freedom of a human being is *the opportunity to choose*.

The *implicit* evidence for owner-managers' – i.e. entrepreneurial - freedom is contradictory. One the one hand, according to conventional wisdom and numerous studies opportunity to be one's own master is crucial in choosing an entrepreneurial career (see e.g. Kets de Vries, 1977; 1985; Brockhaus, 1982). Owner-managers' authority, power and control based on their position provide outstanding theoretical options for individual autonomy, for proactive managerial behaviour and for enacting a suitable environment (Weick, 1969/1979). Further, managerial work contains many choices, for owner-managers the options seem profound (cf. Stewart, 1982; Koiranen & Tuunanen, 1996). On the other hand, every manager operates in an environment consisting of constraining interdependencies - more or less under external control. Above all, the resource dependency perspective (Pfeffer & Salancik, 1978) and the stakeholder approach (see e.g. Rhenman, 1964) speak for limited managerial

discretion. Also scholars of managerial work stress the various constraints and demands embedded in managers' social environment (see e.g. Sayles, 1964; Stewart, 1976). The stances arouse suspicions about the amount and nature of entrepreneurial freedom; at worst, they evoke images of solitary actors trying to survive in their invisible cages. But still, major personal ownership and the absence of superiors are supposed to bring some relief and extend freedom.

Starting from these inconsistent premises the paper challenges the prevailing myth about entrepreneurial freedom in highlighting phenomenologically the subjective realities of four Finnish owner-managers. The research questions guiding the process are: *1) how is entrepreneurial freedom experienced in the owner-manager´s managerial work?* and *2) what does the manager perceive as determining and constraining freedom in his or her position?* The phenomenological emphasis has two main implications. First, it infers that the important reality is what the subjects imagine it to be (see Bogdan & Taylor, 1975, p. 2). Second, the empirical findings cannot be generalized, instead, the aim is to *understand* the essential nature of entrepreneurial freedom, its constraints, and conditions. In what follows, the interdisciplinary background linked by the concept of 'choice' is presented in more detail. Thereafter the research setting and the rationale for the methodological choices are explicated. Next, the owner-managers' realities are illustrated and analyzed through qualitative data obtained from intensive interviews and written essays. The paper concludes with four propositions and their implications.

THEORETICAL BACKGROUND

Managerial work

The study builds on the contribution of the inductively oriented management research aiming to better relate managerial work to reality (see e.g. Carlson, 1951; Sayles, 1964; Mintzberg, 1973; Stewart, 1982; Kotter, 1982). In the first place, Stewart's (see e.g. 1967; 1976; 1982; Fondas & Stewart, 1994) seminal work is easy to integrate with freedom. Especially her model for approaching managerial jobs, which consists of factual and perceptual demands, constraints and choices, is relevant. Demands or expectations form the core of a job, while different internal or external constraints draw the outermost frame and limit to what can be done. By intelligent choices of what and how the manager is able to adapt the job, to widen his or her domain, and to enact a suitable environment (cf. Weick, 1969/1979). The choices may increase discretion, but the opposite outcome is also possible. Sometimes the jobholder perceives no choice, at other instances the demands seem too compelling or the constraints too restricting to offer meaningful options (cf. Marshall & Stewart, 1981).

As regards the contribution of other scholars, there are some aspects worth mentioning here. Carlson's (1951) puppet-metaphor illustrates how the influence of the social context is reflected in the reactive, hectic, and fragmentary nature of CEOs' work. Mintzberg (1973; 1975) confirms this but

perceives that the characteristics result, in part, from the jobholders' own choices. As a whole, he highlights the options for personal emphasis in enacting the interpersonal, informational, and decisional roles connected with the managerial positions. Sayles (1964) and Kotter (1982) bring up the cruciality of social relationships and other political aspects of managerial behaviour. Basically, networks and politicking are a necessity, but they also contain a lot of possibilities. All emphasize the options managerial work provides, some explicate that managers try to change the content of their jobs by making them less dependent on external demands towards a state in which they may shape it (see Sayles, 1964; Hales, 1986; Watson, 1994).

Arguments against free choice in managerial work can also be presented. Most of all, rational choices are not feasible in work which is essentially interactional, full of daily fire-fighting and problem-solving, and mostly initiated by others (March & Simon, 1958; Sayles, 1964; Winograd & Flores, 1986). The ever-changing situations compel managers to approach the interactions more pragmatically by relying on their every-day principles. If the amount of choices is too wide, then the only choice is to flow with the situation. Sometimes managers even prefer a "stimulus response milieu" (Mintzberg, 1973). However, neither rationality nor managerial action per se are in focus here, the emphasis is on the *perceived* opportunity to choose. In addition, one more specification: in this study managerial work includes all activities, whether nominalistically "managerial" or not. It is even presumed that owner-managers' work contains a choice of some sort of specialist, non-managerial expertise.

Constraining external environment

To understand entrepreneurial freedom we have to understand its external contraints. Within an open system the interdependence between a firm and its environment is unavoidable. It originates from different resource exchanges with stakeholders, individuals or groups "who can affect or is affected by the achievement of organizational objectives" (Freeman, 1984, p. 46). Still, the theoretical conceptions of the amount and nature of environmental impact on managerial options vary. The objective stance (Hannan & Freeman, 1977; Aldrich, 1979) is too deterministic here, whereas the views emphasizing perceived (Lawrence & Lorsch, 1965; Pfeffer et al., 1978) and enacted environments (Weick, 1979; Perrow, 1986; cf. Fondas et al., 1994) are consistent with the focal phenomenon.

This study integrates conceptual ideas from resource dependency and stakeholder approaches with entrepreneurial freedom, but their theoretical potential is not utilized due to the inductive stance taken. Rhenman and Stymne's (1965; Rhenman, 1964) interest group model is a theory of the firm in which action between intentional actors and the social nature of action are highlighted (cf. Näsi, 1995). Mutuality and consensus are central for interaction, but occasionally sanctions and coercion are used to further self-interests. Further, by recombining stakeholders managers can enact their external environments. Pfeffer and Salancik's (1978) resource dependency perspective

stresses the external control of organizations, meanwhile managerial options to cope with the conflicting constraints and demands of the stakeholders are also presented. As a whole, both views basically indicate that owner-managers are responsible for things over which they have no control. Recently, the circle of relevant, primary, stakeholders has widened and the nature of the stakes expected become more diverse as the new demands for the social responsibility of the firms have been successfully advocated (cf. Carroll, 1989/1993). Ethics and its reflections on freedom are intertwined with this claim, because for owner-managers business and personal issues often mix. Thanks to networks and partnership, options open for all managers have increased as well.

Freedom in managerial work: a philosophical perspective

Conceptual tools derived from outside management research are needed for studying freedom in managerial work. Fortunately, psychology and philosophy provide alternatives consistent with the research setting. Apart from the one-sided stance of radical behaviourists there are interesting psychological aspects to consider. Most of all, the views presented by humanistic psychologists (see e.g. Kelly, 1958; Rogers, 1974), neo-Freudians (see e.g. Fromm, 1941) and social cognitive theorists (see e.g. Bandura, 1986; Cantor, 1990), in which individuals build their own lives as choosing, free and responsible agents, are significant. Still, the optimistic weighting of self-influence is incoherent with the external orientation. In this respect, philosophy offers better means. The notion of freedom is crucial in the fields which deal with human and social action, above all, in action theory, ethics, and political science. Further, freedom of action is connected with the discussion about determinism vs. indeterminism, and thus to theoretical philosophy.

Human freedom basically implies that the choices of an agent are determined by his or her will, not by any external cause over which he or she has no control. Indeed, according to Moore (1912/1965) "I could have chosen otherwise" crystallizes its core and sets the conditions under which the term free can be linked to one's actions. However, freedom contains various dimensions. One of them is the ability/inability to perform different acts, which implies that the generic ability defines the scope of freedom. In this sense it may be called potential, whereas freedom to do or not to do a specific act is actual, both different aspects of another dimension (von Wright, 1986). The nature of choices provides a third dimension for exploring the levels of freedom. The range extends from the existential choices concerning life projects to trivial choices in day-to-day situations (Heidegger, 1930; Jaspers, 1956). Finally, freedom can be studied with the focus on either personal or social liberty, and from the *positive* and *negative* facets, which is the view adapted here.

The political philosopher, Isaiah Berlin (1969) rejects determinism, distinguishes between freedom and its conditions, and presents the positive and the negative concepts of liberty. For him freedom is "the opportunity to act, not action itself" (1969, p. xlii). The negative sense of freedom - *freedom from* — entails the absence of obstacles to possible choices and activities. The positive sense of freedom - *freedom to* - derives from the individual's wish to be one's

own master, from the wish to be the subject, the doer, the decision maker, the goal-setter and the policy-maker, and the wish for bearing responsibility for one's choices. The degree of freedom experienced can be used as a measure of positive freedom, but to estimate negative freedom – its conditions - is complicated. Indeed, the absence of obstacles neither entails a sufficient nor a necessary condition for positive freedom. An agent is free only if he determines his own life, sets his own goals, controls his circumstances and can do what he chooses to do (Patoluoto, 1986, p. 86). This argument has important implications for human responsibility as the complementary facet of freedom.

The constraints of freedom are either external or internal in nature. The former are divided into physical and normative, the latter into psychological and normative ones. Constraints may also be internalized, and many of these duties or rules accepted have an external origin. Berlin (1969) considers internalizing false, and uses Epictetus, the slave freer than his master, as an example of such spiritual freedom. Nevertheless, following von Wright (1980) the less an agent internalizes constraints, the greater is the perceived coercion or normative pressure. In addition, the more arguments an agent has for and against potential actions, the more extensive is the scope of freedom of choice. But, the consequences may be problematic: a greater degree of freedom may complicate decision-making and eventually constrain action.

Integration and limitations

To sum up, Stewart's (1982) framework of demands, constraints and choices has been chosen for studying entrepreneurial freedom in managerial work. To understand freedom it is necessary to understand the constraints faced. Here external social environment is considered a significant source of dependency. The external constraints originate in resource exchanges and restrict owner-managers' options to some extent. Not all of them are harmful, and can even be turned into facilitators. By enactment, intelligent choices, and internalizing owner-managers can reduce obstacles. The question is, how entrepreneurial freedom, its conditions, and constraints are experienced. To make an explicit distinction between the freedom of will and freedom of action is beyond the scope of the study, like the eternal issue of causal determinism. Finally, even though the notions of power and expectations are closely related to freedom, they are touched only in passing here.

RESEARCH JOURNEY

The present study resembles a journey with plenty of possible routes, most of all at the theoretical, empirical and methodological crossroads, but thereafter at minor crossings as well. Next, the methodological choices made are explicated bearing the issues of validity and reliability in mind. To begin with, the interest in the phenomenon dates back to the author's previous studies (cf. Wahlgrén, 1995; 1997) and long-lasting every-day experience as the spouse of an owner-

manager. Both starting points have been important for preunderstanding and sensitivity. Further, they enabled communication in a language shared by those studied and helped in getting the subjects' permission and confidence. For the same reasons, the original position may be considered biased and subjective. Nevertheless, every view is a view from some perspective; by critical and perspectival subjectivity the researcher has aimed to turn her stance into a strength for the inquiry (see Reason, 1988; Gummesson, 1991; Kvale, 1996).

Qualitative route together with four companions

Careful reflection on the topic limited the methodological alternatives, as the quantitative avenue with the objective and quantifiable ideals of the positivist philosophy of science seemed unsuitable in this context (cf. Martinko & Gardner, 1990). Instead, the qualitative avenue originating in hermeneutics and phenomenology, and aiming at understanding was chosen. The rationale is evident. The ambiguous phenomenon insists a holistic and open approach which can be refined and modified if necessary. Moreover, the qualitative route permits subjectivity, highlights life worlds and meaning, and enables interaction between the researcher and the subjects all elementary within this research setting.

Two qualitative methods, written essays and conversational life world interviews, have been used sequentially. In the first stage, between February and March 1997, written data was collected from 24 Finnish owner-managers. As a defined assignment of the management class the author's students contacted owner-managers willing to write an essay on the title "I, my work and entrepreneurial freedom". The heterogenous group included representatives of both sexes, from many industries, firms of different sizes, of varying tenure, from all over the country. The diverse stories were difficult to analyze, but the richness of realities presented surpassed expectations. This data has been used for many purposes. First, it confirmed the initial research questions and helped to determine the target group to consist of owner-managers in charge of industrially medium-sized businesses. Second, along with deepening understanding it revealed relevant criteria for selecting the subjects. Third, in the final analysis the patterns emerging from the written data provided checking points for validity threats in addition to triangulation (see Denzin, 1978).

Entrepreneurial freedom is here approached from four subjective realities. This attempt to explicate human experience presumes that a larger number of subjects does not necessarily yield more information, it is the quality of data that is crucial. Hence the basic criterion for choosing subjects was accessibility. Further, owner-managers from different industries were sought. In the first case the tradition and tenure of the family business were emphasized and a manufacturing firm established at the beginning of the century was selected. The managing director, F, has been in his position ever since the early nineties. For the second case the aim was to find an owner-manager with two businesses. The choice was economical, as a female entrepreneur, H, a subject of a previous study was asked to participate. Although this founder of a travel agency, and

the head of a hotel appeared sceptical about the topic, she agreed. The criterion for the third subject insisted previous experience as an employed CEO. M was found through a chance meeting, when it came up that he had established a firm after working as a professional CEO for 25 years. Finally, as the data spoke for an extreme case, a well-known ex-entrepreneur from the service sector was selected for the fourth subject. When consenting E remarked that now, four years after his total burn-out, he felt "able to discuss his experiences of entrepreneurial freedom, earlier it would have been too painful a topic".

Life world interviews and interpretation

The semistructured interviews were conducted from April to August 1997. The tape-recorded interviews lasted for two hours on average and began by questions providing background information (e.g. ownership structure, organization, competition, personal history). Next, freedom was approached at a conceptual level and from a general stance through questions such as "What does freedom mean to you?" and "What do you think of entrepreneurial freedom in general?". The meanings given in these answers offered a challenging point of reference during the analysis. The lived world part covered the following themes: (1) entrepreneurial freedom from, (2) and freedom to, (3) the choices, (4) constraints (5), and control experienced in managerial work. The order of the themes was altered flexibly to ensure a natural discussion.

Many tools were used in the analysis. It started by the open coding of the essays (see Strauss & Corbin, 1990). All dimensions of the categories could not be discovered in the first stage, although a few initial propositions were created by combining consistent themes emerging from the written data, theoretical perspectives, and tacit knowledge. After each interview, the researcher wrote down her impressions, and thereafter listened to the tapes again. During the transcription the discussions were approached from other angles and everything too obvious was questioned. The laborious process of interpreting began at the interview stage, but each interview presented new insights to be challenged during the next ones. Contradictions in the comments were bewildering. Mostly they reflected 'self-presentation' or attempts to pad out certain aspects, but they may also highlight the internal confusion of the reality experienced. In one case (F), when such incoherence was discussed, it appeared that his understanding of freedom's internal constraints was changed during the interview.

This paper as a whole attempts to provide evidence for the *trustworthiness* of the findings (cf. Lincoln & Guba, 1985). As to validity, the quality of the researcher's craftmanship is perceived crucial. Checking, questioning and theorizing – as reported above – are the primary means used. Triangulation of data has been useful in all these stages. Further, the subjects accepted their accounts. Although respondent validation is occasionally questioned (cf. e.g. Silverman, 1993), in evaluating truth-value of human experience it has to be considered. In the end, the creditability of the propositions presented can be used as a measure of how the attempt has succeeded. As regards reliability, defined as the consistency of the findings, there is little to add. The issue has

been carefully carried through the process: in interviewing, word by word transcribing and analyzing, which were all done by the researcher herself. Finally, considering generalizability or rather applicability the conceptual framework integrated can be analytically applied in other contexts and with others managers, whereas the personal accounts are inherently idiosyncratic and, as such, not generalizable.

OWNER-MANAGERS' LIFE WORLDS

The empirical part begins with an illustration of entrepreneurial freedom revealed to Martti (M). The aim is to present a more detailed view into one reality instead of "atomistic quotes and isolated variables" butchered during analysis (cf. Kvale, 1996, p. 254), and at the same provide evidence for judging the creditability of the propositions. Martti's account was chosen for two reasons. First, as the researcher did not know him, this discussion offers a relevant example for the reader to follow along, while his potential to make comparisons provides the second argument. Thereafter, brief summaries and visualized formulations of entrepreneurial freedom and its constraints, experienced by F, H and E, are presented.

One for all - Martti's optimistic account

Martti, in his early fifties, has a technical education and 30 years' experience in his industry. Together with his son, who started to work with him some time ago, their share of ownership exceeds 90%. When this company, operating in the area of cutting edge technology, was established a few years ago, during the period of severe recession, there were other important shareholders as well. The idea of a family-owned business with centralized control is increasingly important to Martti nowadays, in particular when he looks back to the previous 25 years as the employed CEO of a nationally prominent manufacturing company.

> "Perhaps it is due to my age or my previous experience, but I don't want to have more shareholders, not under any circumstances. I can't stand it! I want to do what I want... despite any potential investors. We have interesting projects going on, and I would surely get investors, but I don't want any. It may be stupid, because by their output our financial structure would improve. In a way, it's a value...and this whole idea of a family-business is attractive. It takes a lot to make me change my mind..."

His choice of an entrepreneurial career dates back to changes in the ownership structure of his previous employer. The opportunity to a management-buy-out did not attract him, because the situation seemed too complex, especially for personal relationships. In such an arrangement his degree of freedom would also have been restricted. Nevertheless, the quest for independence was not his main motive for entrepreneurship, but rather a sort of weariness of being an employed CEO; "a feeling of having been through it all already". As regards

ability as a condition of free choice, the modest owner-manager points out the significance of experience, and incidentally refers to the fundamental issue of self-efficacy (Bandura, 1986; Gist & Mitchell, 1992):

> "This is a good point, because I have wondered why I didn't leave 15 years ago. And where would I be now? But then I have to admit that perhaps I would lack the experience on which I depend now. Experience means credibility, you achieve it over the years, from different deals, investments, and networks... then you have it all. And you must have it. But it took so many years. When I was 50, I felt ready to start as an entrepreneur. In a way it never occured me before... perhaps it's a question of self-esteem."

As a whole, Martti perceives that experience brings more security and increases the freedom "to search for solutions". From this view, the scope of his potential freedom seems extensive. And thanks to his healthy self-esteem, he has the courage to actively to ask for advice from his wide network, which extends his potential freedom further.

For Martti the essence of freedom implies personal autonomy: "freedom to decide on the things which influence your own life". This value is crucial and reflected in work; to experience freedom means to be free from the yoke of work, which consequently creates a totally different terrain for working. When entrepreneurial freedom is approached generally, he starts with the negative facet. Simple though, the essence is most absolute in nature:

> "In essence freedom is only profitable business...To be frank, we are always slaves of the financiers. In other words, freedom originates in ... gross margin is the master. Indeed, it is the only master, you've got to get gross margin, otherwise you can't survive!"

Personally, profitability is also crucial for him. At present the external control of the financiers is constraining, but not oppressive. Still, to ensure more favourable future conditions he tries to keep strictly to his financial objectives in repaying his loans.

Further, entrepreneurial freedom originates from the absence of a controlling board and superiors. The lack of external interference means that you need not explain your decisions and choices.

> "Of course this frees me from extra bossing, from this kind of a hierarchy. It's a great challenge! Even if you are a smart guy, but you have the wrong kind of boss or board, it is complicated: you collide with them all the time. This is at least what I seem to be free from. It's great, it makes me free from that."

Seen from this stance Martti's decision to invite new members to his board is inconsistent. He admits he is consciously relinquishing part of his freedom. This stakeholder inclusion is proactive and it aims to increase partnership, although the external members also reframe part of his work by demanding more discipline.

Martti perceives his holistic approach to managerial work to reflect his own *choice*. He divides his work into four functional clusters: marketing, production, finance and external stakeholder relationships. Customers are by

far the highest priority. Some activities, such as price setting and the daily checking of cashflows, represent a new dimension full of operational, routine tasks. Although he nowadays regards this extra work as richness, he admits that learning to like it called for a change in attitude. As a whole, these various time-consuming tasks are problematic.

> "I'm sure I do a lot of work of the wrong kind. Especially these routines are the ones which I should give up, because of my son. He is able to do them and he is with me all the time... But it's so difficult. When you have started everything by yourself, to give up is… You should be able to give up! You should be able to be...not to become *the* manager...but to give up certain tasks."

Martti's obsession to have all the operations in the firm under his control is evident. In part, this is a residue of the start-up phase, when the expenses had to be controlled constantly, partially it indicates his meticulous personality. Anyway, "being afraid of letting it go" constitutes a significant internal constraint.

Martti believes that, generally speaking, entrepreneurial freedom – as freedom to - culminates in two things. First, owner-managers are able to choose the working hours, and second, use money the way they prefer. Yet, the former often results in a paradox:

> "You have the freedom to work for 24 hours a day, it's the direction where freedom takes you, and then you may not be free any more."

Personally, neither choosing the hours of work, an average of 10 hours a day, nor the timing of holidays is important for Martti. This liberty existed already in his previous position. Instead, the most relevant aspect of positive freedom is embedded "in real, concrete responsibility". Hence the responsibility for taking risks is not a constraint for him, but entails a condition needed for experiencing positive freedom, the success that follows and the joy inherent in them.

Martti's entrepreneurial work is somewhat opportunistic. The options for experiencing entrepreneurial freedom in its positive sense and utilizing its rewards are remarkably extended by his second venture, which was established six months after the first. The business idea is defined loosely enough to sustain flexibility needed to take advantage of emerging opportunities. The 100% ownership of this "miniventure in the back pocket" creates a fruitful basis for investment choices, in particular.

> "Well, it's an amazing feeling - all the time - to consider the options: which is the one I'll grasp. It's great, something you are never able to experience as an employed manager! You have the freedom to, when you see an opportunity - because it's you and only you who has responsibility - to say that I'll go and take it. You don't have to ask anybody! The only problem in this freedom is that the amount of the supply is so extensive: you will find fascinating opportunities...visions arise, they are evolving all the time... Even if you had not so much money, the wings of thought will soar."

For Martti, positive freedom as a whole reflects a mind game revealed in feelings to be able to dream, seize opportunities, and to use creativity. Some of the ideas are implemented, others do not pass into risk-taking. Related with

this, the CEO reminds that he would have enormous freedom to influence the lives of his employees and their families, an option which represents the exacting and challenging part of freedom. The remark brings the ethical dimension with the dilemma of means/ends into the discussion. Martti, unlike all others, does not perceive labor legislation as constraining his choices, but by reversing the issue insists having plenty of opportunities for improvements, e.g. for finding new ways for participation.

In Martti's view, the present frame of his work is mainly self-imposed and reflects his own choices, but still part of it originates in external sources. Some of his choices have turned into significant internal constraints of freedom (cf. Figure 1). Above all, the prominent need to control and the constant want to keep up with "the daily rhythm of work" represent striking examples. If unfulfilled, they may lead to physical symptoms of deprivation.
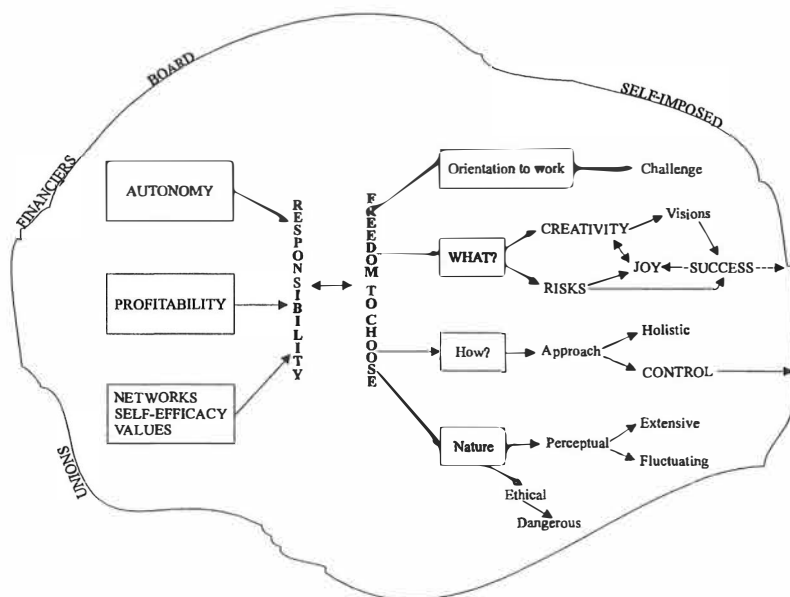
FIGURE 1   Entrepreneurial freedom and its constraints in managerial work revealed to M

The main constraints to Martti are the external ones deriving from the financiers and the unions, both of which limit his work more than in his previous position. Competitors, thanks to partnership are not restricting at the moment. Further, he mentions his own capabilities and energy in telling about days and moments, when sudden physical exhaustion becomes an evident constraint. Finally, Martti turns to success, a most influential constraint for every owner-manager studied:

> M: "These ethical questions, they represent an important issue; responsibility for others, not solely for the firm's money. The increase in financial responsibility and the ecstasy embedded in the work blur your morals to some extent. When you're in drive, you may forget some important ethical point, it just gets drowned in the

surge. As an employed manager you never experience that surge of emotions, and the ecstasy. It's not so total!"

R: "Is it a question of your own money and your own success you are referring to?"

M: "I guess money is after all the wrong thing, it's more about your creativity. Let's put it like this: when you establish a firm of your own and it succeeds, it's a question about much more than just money. It's about this person who succeeds. I made this succeed! Millions are secondary, it's more about the quality of the person who did it - the mental achievement".

In the prison of success owner-managers are in the limelights, for success reflects, most of all, their competence (cf. Morgan, 1986). In Martti's personal success, many dreams of poor childhood have come true. Materially, this all was realized a long time ago, but mentally, the rewards are most meaningful - if not merely positive – at present, as he indicates in the following deliberation, partially personal and partially more general in nature.

> "I had neighbours with houses of their own and thought I would never get one... it was so incredible to have an apple-tree and a house of your own. And the day you suddenly get it, the day when it starts to come true...everything is not necessarily healthy. You might get confused... Success is not without risks."

To perceive these embedded risks is the first step, but to get out of the prison completely is far more complicated. Indeed, "it is not even possible, because of taxation and other things", which all make demands on you to be more and more successful. Still, his choice to refuse the offer initiated by a buyer some time ago, speaks for different conclusions, and indicates of a voluntary captivity.

Martti sees entrepreneurship as being similar to art, and a few times he refers to himself as an artist. He sees creativity as one of his most essential skills. Typical of creativity, as for freedom in essence is its fluctuating nature. Occasionally he feels to have run out of them both:

> "The worst I experience in my work is the feeling that creativity is zero, when your state of mind goes blank for some reason. It's like death, when you realize that you have no air! An outsider cannot see it, but you get no air and wonder, if you will ever rise again! My character is like a roller-coaster: sometimes I wonder if I have ever achieved anything! Then you just continue, knowing that you will rise again."

Martti feels he is his own master. Many tentative interpretations are confirmed, when at the end of the interview, he humbly confides that primarily he is responsible to his Creator and to his co-workers, his employees - but no mention about himself. Though profitability provides the conditions for Martti's entrepreneurial freedom, his dialogue with his conscience seems to be equally meaningful in relation to both his personal and social freedom.

Mixed perceptions of a controller and two skeptical visionaries

F's view about the essence of freedom, "freedom to work, freedom to exist" is well in accordance with his orientation to work. This choice representing a life project is also reflected in all his other choices and the constraints of his entrepreneurial freedom. In F's case freedom to choose is most meaningful in

the hows of managerial work, though he considers decision-making a significant aspect. Actually, the core of F's entrepreneurial freedom culminates in his unquestionable opportunity to control. By means of control and decision-making, F feels he is able to reach the primary, maintainance-oriented goals of the firm, and also to retain the freedom in life. The firm's established position in a declining industry, the traditional status of the owner-manager, and above all, the total financial independence of the firm enable him to focus on management. Customers are the salt of his life and the main source of the pleasure in his work. On the other hand, the two co-owners, customers, the habits created by 30 years' experience, and F's meticulous personality reflected in the obsessional, all-inclusive control and in his self-control are the elements most significantly framing his entrepreneurial freedom (cf. Figure 2).
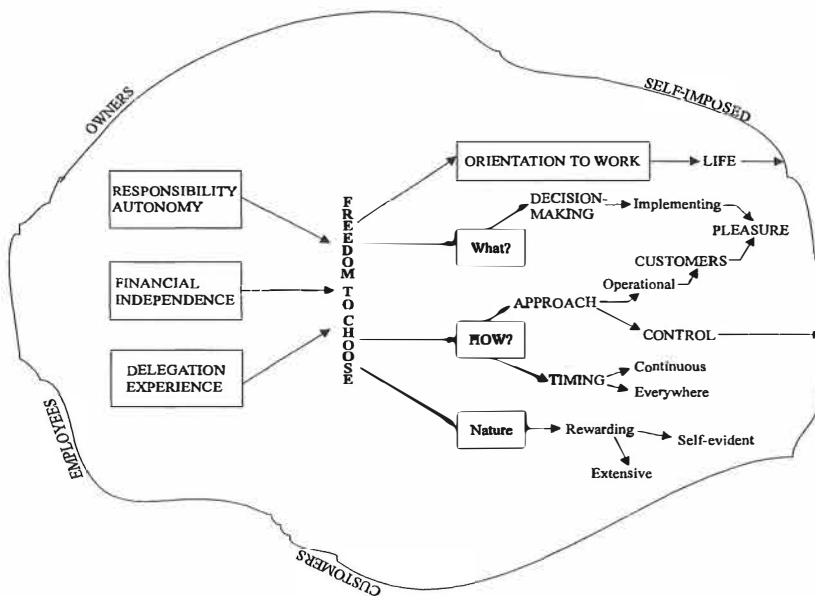
FIGURE 2   Entrepreneurial freedom and its constraints in managerial work revealed to F

As a public preacher for personal growth, H stresses the cruciality of self-mastery, and defines freedom as "an internal feeling of well-being". According to her, entrepreneurial freedom generally represents a pitfall and a cliché. This sceptical, contradictory view proves to indicate personal experience, the fluctuating, even decreasing trend of entrepreneurial freedom revealed to her. H suggests that a background, where you start from nothing provides an important shelter against the financial threats of success. H's options to experience and extend entrepreneurial freedom are restricted: because of financial constraints she is not able to focus on such whats of managerial work as creativity and visions (cf. Figure 3). This deprivation of satisfaction creates recognizable "symptoms of stress behaviour". The hows of managerial work are not insignificant either, especially now that she feels to be lacking them, while working hard to compensate the personnel shortage deriving from various

maternity leaves. All in all, the existing financial dependency and the heavy social obligations as an employer together with the moral responsibility for her employees are turning into a mental prison, in which she cannot even choose the moment for closing down her businesses.
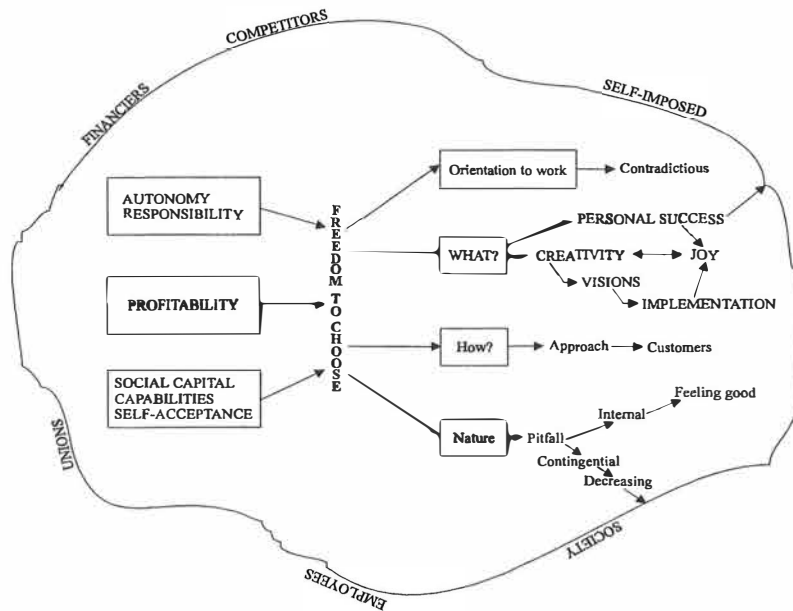
FIGURE 3   Entrepreneurial freedom and its constraints in managerial work revealed to H

Meaning is always retrospective, but in E's account retrospection plays the main role. During a period of 12 years, his career which was initiated by an exceptional need for independence progressed from the experience of entrepreneurial freedom as "opportunity to choose one's work, the freedom to create and to work without hierarchies" to a total external dependency. The firm's vision was to be the best in its fast-growing industry, and in six years this pioneering company with the three owners and a ROI reaching to 70% was regarded as an attractive object for acquisitions. The owner-manager turned down the first offer made by a large group, because he perceived it as a "deprivation of freedom". However, soon after that the decision to be listed was made, and thereafter E concentrated on the essence, on visions and on innovations while creating "the aggressive growth strategy". The visionary CEO loosened up his control, and delegated authority to new managers. Ten years after starting the firm he felt his creativity declining, and decided to take more time for himself, gave up his formal position, and left for Stanford to study (cf. Figure 4). His final doom was caused by devaluation which increased the loans taken in foreign currency by 40%. This resulted in that the financiers took control of the company, which was intolerable for E's personality (cf. Kets de Vries, 1977).
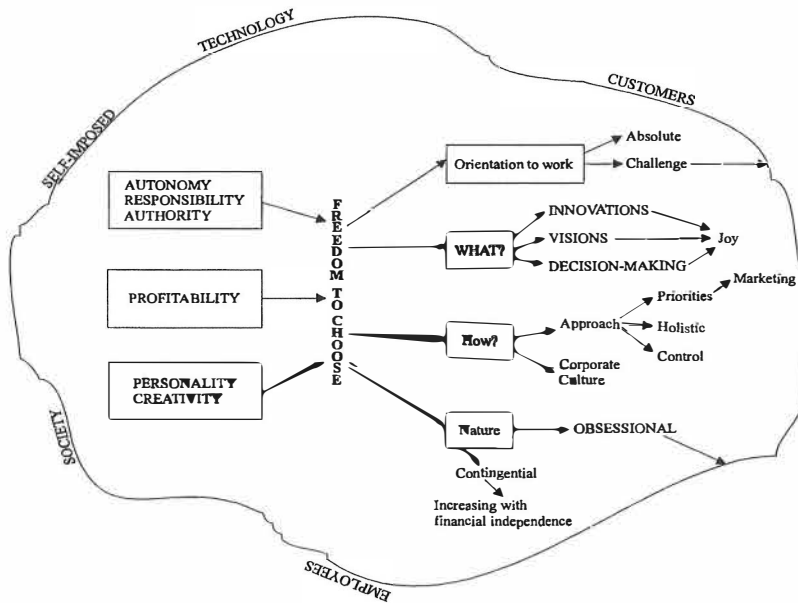
FIGURE 4   Entrepreneurial freedom and its constraints in managerial work revealed to E

DISCUSSION AND CONCLUSIONS

Entrepreneurial freedom and its constraints in owner-managers' managerial work is a new topic, theoretically and methodologically challenging and important for practitioners. This study is an inductive analysis, although it utilized and integrated the interdisciplinary conceptual ideas presented (cf. Strauss et al., 1990). The status of this phenomenological analysis has been interpretative: building on the essays and the interviews the reseacher has detected patterns of *consistent experience*. The main findings are here presented and discussed in the form of four propositions and a model (see figure 5), which crystallize conceptions and definitions emerging from the data. As the findings reflect the experiences, perceptions, and interpretations of the owner-managers studied, there may be gaps between the understandings construed and the factual dependencies. Accordingly, they cannot be generalized, which might be considered the main limitation of the present study. However, for the aim to increase understanding about the phenomenon this is irrelevant.

Proposition 1: Entrepreneurial freedom in managerial work is a multidimensional and interactive perceptual process in which negative freedom provides the conditions for experiencing positive freedom, and its overlapping consequences.

Entrepreneurial freedom in managerial work is condensed as a process visualized in figures 1-5. The process consists of four parts, which interact constantly. The outer frame (1) sets the limits for entrepreneurial freedom

perceived in the negative sense (2) and further for positive freedom (3) and its consequences (4). The outer frame is composed of dependencies. Some of them are external, others are self-imposed and encompass internal constraints, like habits or obsessions, and constraints internalized and transformed into duty-like managerial priorities, such as dependence on customers (cf. von Wright, 1980). In negative freedom the most meaningful constraints are reversed into positional, financial and personal conditions for experiencing positive freedom. The conditions culminate in profitability, which besides protecting against financial dependency helps to maintain the owner-manager's autonomous position by keeping additional external board members absent (Pfeffer et al.,1978; Stewart, 1982). Further, profitability may facilitate recruitment and delegation, through which the owner-managers may complement their abilities and hence widen the scope of potential freedom.
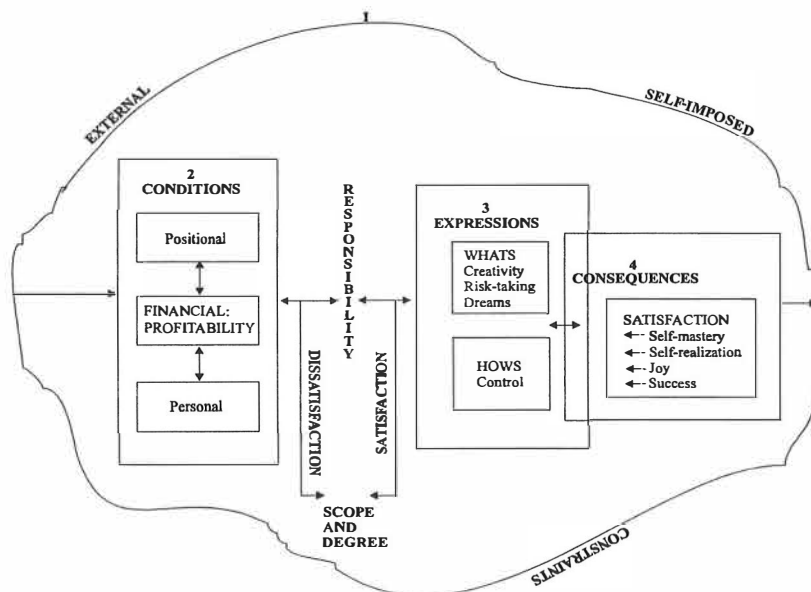
FIGURE 5   The processual model of entrepreneurial freedom and its constraints in managerial work

Proposition 2: The scope and degree of entrepreneurial freedom experienced reflect a function of dissatisfaction perceived in negative freedom and of satisfaction experienced in positive freedom.

In essence, entrepreneurial freedom in the positive sense reflects satisfaction. Joy or pleasure deriving from self-mastery and self-realization give an experience of satisfaction (cf. Brockhaus, 1982). Success in all its forms is often crucial, while creativity backed by spiritual freedom and unquestioned control seems to bring out most joy. The other sources of satisfaction vary according to individual abilities, ambitions, aims and preferences (Stewart, 1982; Kotter, 1982). Responsibility, which is perceived to differ totally from that of the

employed managers, is central: it obviously belongs to the positional conditions, but, most importantly, sets the main *standard* for the whole process. Indeed, the negative and positive facets are mutually shaped through responsibility. If the conditions seem dissatisfactory, when compared with personal responsibility, neither positive freedom nor its overlapping consequences will be experienced in full. This view is consistent with Herzberg's (1959) two-factor theory. In contrast, a manager feeling prevented from using his or her potential may gradually lose sight of options still open and start working with and within areas of managerial work which do not provide any experience of satisfaction. Unfortunately, dependencies tend to accumulate mentally: if financial dependency increases, employees, unions, and the society impose additional costs (cf. Kets de Vries, 1985; Morgan, 1986). At worst, deprivation may lead either to feelings of anxiety, depression or to a willingness to give up the business.

Proposition 3: Profitability is a necessity for experiencing entrepreneurial freedom, and the degree of financial independence is reflected in the priorities of the owner-manager's managerial work.

The expressions of positive freedom in the empirical data on managerial work are revealing as to the goals of the owner-managers and their firms. The orientation to work reflects one's life style and is closely related with the whats and hows of managerial work, either of which is emphasized in the satisfying choices (cf. Stanworth & Curran, 1976). As regards the whats of managerial work, the focus on creativity, visions, dreams or risk-taking evident in three of the accounts and most essays indicates that the emphasis is on growth and refers to entrepreneurship or a leadership orientation (cf. Mintzberg, 1973; Carland et al., 1984). Indeed, for H, M, and E, all founders of their firms, creativity is the most valuable but vulnerable asset to success and at the same time to increased financial independence (see e.g. Scherer, 1984). Respectively, F's choices, like some of the essays, speak more for management and stress the hows; freedom to control, in particular. For F, both the goals and conditions of self-mastery are different: survival and chance to work in the chosen way bring him the satisfaction needed at present (cf. Bolton, 1971; Watson, 1994).

Proposition 4: By choosing owner-managers irrevocably constrain their future choosing.

Owner-managers define entrepreneurial freedom through their own choices. Most of all, this freedom in choosing to reject future choosing illustrates the paradox inherent in the whole phenomenon. Further, it is obvious that owner-managers are not fundamentally free to choose in managerial work, for due to external dependencies they are by no means free to want what they want (Moore, 1965; Pfeffer et al., 1978; von Wright, 1986). Related to this classical dilemma of freedom is success, which is the most meaningful if paradoxical consequence of entrepreneurial freedom: success decreases financial dependency but over time becomes an internal constraint. In addition, there are

many other contradictory features in support of this final proposition: freedom if taken to extremes, may result in exhaustion, obsession to control, and to self-imposed external constraints to get support in one's solitude.

This paper contributes in increasing our understanding of entrepreneurial freedom. First, it explicates a relevant conceptual alternative for studying owner-managers', here entrepreneurial, freedom, its constraints, and conditions in managerial work. Second, by using this interdisciplinary explication it illustrates entrepreneurial freedom experienced by four Finnish owner-managers, whereas the empirical illustrations facilitate the understanding of entrepreneurial freedom and its essence. Finally, by proposing the inductive processual model it has furthered the understanding of the phenomenon as a whole.

Although the study originates in the inductive management research, its implications are of equal interest to scholars of entrepreneurship. Educators and practitioners might use the accounts and the processual model in analyzing managerial work. For the latter, realizing the dangers of self-imposed constraints is important. Further, such findings as the fluctuating nature of entrepreneurial freedom may be reassuring or the idea of a second venture for stabilizing dependencies and providing satisfaction inspiring. Scholars might prefer to consider the propositions as hypotheses, anyway, they present new insights worth to be addressed in further studies. For example, an explicit focus on the *meanings* given to responsibility or profitability seems challenging. Finally, although human experience is difficult to grasp, it is vital for research in this field. The life world interviews proved promising and some of the essays also offered skillful in-depth analyses of personal experience, which supports their further use.

To conclude, this study presents no final answers but rather addresses new questions. The reasons are many, but most importantly this is consistent with the philosophical stance adopted. However, the paper explicates the myth about entrepreneurial freedom. The evidence neither supports conventional wisdom, nor even less fulfils the strict theoretical claims for free choice (Berlin, 1969; Patoluoto, 1986). Being an owner-manager entails framing one's work and possessing liberties, but freedoms are nothing without the power to implement them. For such an experience the extensive amount and total quality of responsibility perceived by owner-managers is crucial. In the end, financial dependency narrows the scope of potential freedom by limiting the arguments for and against various choices, whereas profitability determines actually which of the two categories owner-managers fall into: the masters experiencing a wide zone of free choice in their work or the prisoners feeling to be deprivated of it. Indeed, even if entrepreneurship originally represented a voluntary captivity, the *perceived* unability to choose the day of getting out of this prison implies that entrepreneurial freedom in managerial work is largely illusory for many.

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PART II: THE ARTICLES

Third article: A Manager's Domain Revisited – A Conceptual Approach from an Owner-manager Perspective

Abstract

A manager's domain refers to the area influenced by a manager. Within management and organizations studies 'domain' has, over time, developed different meanings. Now that the boundaries between and within organizations are diffused and perforated, this originally organizational abstraction is topical. Further, the expanding scope of leadership and the intertwined influential networks provide solid arguments for examining contemporary spheres of managers' domain. This paper traces the conceptual evolution of domain, demonstrates its ambiguous and incoherent use at present, and through conceptual analysis refines its elements, relations and relationships in an owner-manager context. As the main outcome of this hermeneutic quest for increasing understanding, a conceptual framework for studying owner-managers' work within external social environment is proposed. The extent and quality of domain are idiosyncratic. However, the elements shaping it derive from the task environment, strategic domain, and domain of ownership. They are mediated by expectations enacted, can be detected in an owner-manager's activities, and culminate in his or her expertise, which is essential for managerial domain. The paper argues for utilizing the potential of the sharpened dynamic construct in further studies.

Keywords: domain, owner-manager, work, choice, leadership

INTRODUCTION

The concept 'domain' derives from the Latin adjective 'dominicum' which originally refers to belonging to a lord (The Universal English Dictionary, 1961). Actually, the same root joins together such words as a lord or a master of a house (dom), a house, a home or a building (domus), as well as a despot, which refers either to a lord of a household, a master, owner, ruler or an absolute ruler. The most explicit meaning of domain makes references to "lands owned or ruled by a nobleman, government etc." (Oxford Advanced Learner's Dictionary of Current English, 1995, p. 344), whereas the figurative connotation of the concept brings out more abstract meanings in highlighting realms or spheres of knowledge or thought (Webster's Third New International Dictionary, 1981, p. 670). Further, domain may also refer to a particular area of activity or interest. Finally, according to BBC English Dictionary (1992) someone's domain as a formal word represents the area where they have control or influence.

Starting from these dictionary definitions, drawing on conceptions adopted within management and organizations research, and using analogies, this paper focuses on analyzing and refining 'a manager's domain'. It addresses both the content and form of this originally organizational construct and builds on the contribution made by scholars of managerial work, jobs and behaviour (Sayles, 1964; Mintzberg, 1973; Stewart, 1976; 1982; Kotter, 1982; Watson, 1994). It also draws on other relevant perspectives which either highlight the influence of or deal with top level managers (cf. Thompson, 1967; Finkelstein & Hambrick, 1996). Therefore it focuses on managing directors. The position at the organizational boundary presents challenges for their work and creates a context which cannot be controlled by formal authority. Indeed, the impact of the external social environment on shaping managerial work seems outstanding. In this paper, external refers to outside formal authority.

Further, and most importantly, the present study concentrates on owner-managers who hold a major share in their companies. The reasons are many. Firstly, ownership establishes a different ground for work and domain, as can be seen in the increasing number of equity and options offered for non-owners (Finkelstein & Boyd, 1998; cf. Berle & Means, 1932; Jensen & Meckling, 1976). Secondly, owner-managers have been largely neglected in previous studies of managerial work. Thirdly, their dual position enables to restrict the number of internal variables to be considered in analyzing the phenomenon. This stance also allows us replace 'organization' with a lone actor - an owner-manager - in those discussions where the shifting unit of analysis might otherwise be problematic. As a whole, the owner-manager perspective increases the relevance and actuality of the topic.

This paper aims to make a conceptual contribution. It is presumed that most of the relevant concepts for explaining the relations of a manager's domain exist, but they have to be identified to create meaningful propositions. The research task consists of two parts. The first though secondary aim is to justify this study by highlighting the ambiguity surrounding the use of domain

within the management and organizations literature. Secondly, a manager's domain is reintroduced into the language of inductive management research by presenting *a theoretically coherent and empirically meaningful conceptual framework tailored for approaching owner-managers' work*. The ideal of the paper is to create conceptual tools, which capture the intension and extension of the concept clearly. This calls for explicating domain's conditions and consequences in the owner-manager context. All in all, the paper furthers understanding and offers implications for future research. In addition, it provides insights for owner-managers, who might use domain for reflecting over their work and its boundaries.

Methodologically the study represents a conceptual analysis, in which an applied philosophical method is combined with the researcher's understanding. A central insight of hermeneutic philosophy, the philosophy of science underlying this inquiry, is that the interpreter and the text are linked together by a context of tradition. Every concept is the repository of earlier uses and associations: when previous meanings recede into the background, new ones take their place (Wittgenstein, 1980). Thus, every act of interpretation stands within the horizon of the researcher's preunderstanding, which consists of granted meanings and intentions. Preunderstanding is necessary to enter hermeneutic circle, in which the horizons of text and the interpreter will eventually fuse. During this dialogue the researcher addresses a question to the text, and in a deeper sense the text addresses a question to its interpreter.

As to this study, Näsi's (1980) remark is relevant: a researcher's world is what his or her concepts gained through the lenses of experience are. Indeed, besides analysis interpretation is a way of seeing. Here, the owner-manager perspective is directing both. Domain as the primary concept dates back to texts within inductive management studies (Kotter & Lawrence, 1974; Stewart, 1982), and it has been filtered and refined by the researcher's preunderstanding. Hence owner-managers' action is highlighted in questioning. Dictionary definitions represent secondary concepts adapted to guide and stimulate further thinking. In addition, domain's contemporary use in such areas as systems design has been both a trigger and a challenge. Interpretation is always selective and never final (Palonen, 1987). In this respect the questions posed and the texts, i.e. references, used in weavering the 'textum' might help readers to evaluate the vigour and the limitations of the interpretation. In other words, the conceptual framework proposed here reflects the researcher's understanding, which may not be *the* correct one, but it aims to be plausible.

The structure of this paper resembles a hermeneutic circle. After the introduction the paper traces and narrows down domain's organizational origin and intension shortly. Thereafter, it gradually translates domain into individual level and an action-oriented construct while the dialogue continues as follows: From claims to "lands owned or ruled" by a company towards "the area where someone has control or influence", which reflects "a particular area of interest" and is reflected in "activity", but is still defined by domain expertise, "realms of thought and knowledge" (see Figure 1). Each chapter titled by using a dictionary definition is concluded with propositions explicating the state of the researcher's current understanding in order to help

98

readers to follow the dialogue further. The reflection results in a new understanding of an owner-manager's domain, which presents the relationship between the construct as a whole and its parts, and highlights the essence of the phenomenon studied. Finally, to make a contribution towards bridging the gap between tradition and the present, and argue for the relevance of the interpretation, the strengths and weaknesses of the conceptual framework are discussed, and its implications addressed.
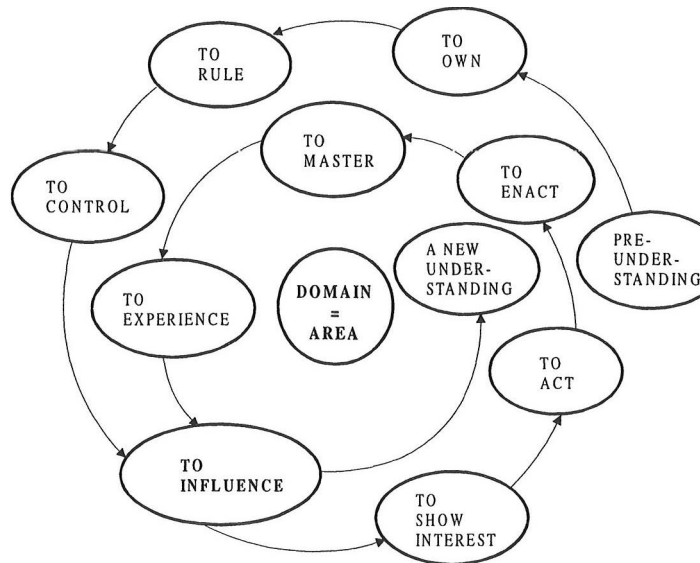
FIGURE 1   Fusing the horizons of an owner-manager's domain

EVOLUTION OF A MANAGER'S DOMAIN

From claims to 'lands owned or ruled' by a company

Domain is a concept familiar to most scholars within the realm of organizations and management studies. Ever since Levine and White (1961) introduced this abstraction in their study focusing on relationships among health agencies, it has been modified. According to them domain consists of *claims* which an organization stakes out for itself in terms of diseases covered, population served, and services rendered. With Thompson (1967) the elaborated construct became widely adopted, for it provided competent means for conceptualizing and analyzing the territories occupied, ruled or pursued by complex

organizations. To cope with uncertainty the manager has to create shared purpose by translating individual motives into an organizational domain, which is defined by three elements: technology included, customers served and services rendered. The technological core is highlighted, whereas the strict product-market elements remain somewhat secondary. Further, organizational domain is helpful in identifying the points of dependency in relation to the task environment (cf. Pfeffer & Salancik, 1978). In fact, it has to be approved outside the organization, because no domain can be operational without resources provided by external interest groups, stakeholders (Rhenman & Stymne, 1965). If interorganizational exchange relationships are judged mutually rewarding, it leads to domain consensus, which, most of all, defines expectations for future interaction (cf. Trist, 1983; Powell, 1991).

The conceptual evolution from organizational to strategic domain has taken place along with the transition from business policy to strategy, or further, to strategic management and strategic leadership. Ever since Thompson's (1967) seminal work, more attention has been focused on debating how strategic domain is determined than on analyzing its substance. Gradually, the explicit use of the concept has diminished in this field. However, implicitly and in an established way it has mainly been used to refer to formulated or existing product-market domains of various organizations.

Our conception of organizational domain can be summarized by the first proposition.

Proposition 1: *Strategic domain is a relational social construct.*

Within an open system the land is divided into interdepending strategic domains. Expectations set their figurative but tense boundaries. Vision bears an integral relation to a strategic domain. Indeed, vision belongs to the firm and may be considered its essential property. Otherwise, in the midst of networks the quest for lands owned or ruled by a company can be questioned. In contrast, boundaries between organizations and networks are diffused and perforated, which implies that resources are exchanged continuously, even unintentionally. As regards owner-managers, despite the property rights of ownership and the remarkable quest for control, independence and freedom (Nöel, 1989; Stanworth et al., 1989; Gray, 1997; Mariussen et al., 1997; Wahlgrén, 1998) their strategic domains are irrevocably interdependent. For formulating vision and, equally importantly, for creating culture owner-managers' position entails, however, full options. To understand an owner-manager's domain and its relation to strategic domain within the external social environment, managers' options to impact strategy and strategic domain have to be addressed first.

Towards 'the area where someone has control or influence'

Nothing is anything without a context. Strategic domain provides the main context for a managing director's work and domain. The domains shape each other within the external environment, which in part is shaping both. However,

the conceptions of this shaping vary. For Stewart (1982) the unit's domain, what the unit does, is the starting point for managerial jobs. Child (1972) proposes that by making intentional strategic choices top executives can influence strategic domain, while Weick (1969/1979) and Perrow (1986) suggest that by enactment managers may even create their environment (cf. Fondas & Stewart, 1994). Whittington (1988) argues for social structuring of environments, which either enables or constrains strategic choice. In his view owner-managers supported by entrepreneurial ideologies and the rights of ownership may thereby be externally enabled to consider more action alternatives than professional managers. To complicate this further, Bourgeois and Astley (1979) point to the paradox of choice when they remind that the first strategic choice commonly deals with domain choice, and all others are made under the constraints created by the first one. This remark is vital to the founders of their firms, in particular. Assuming that owner-managers have opportunities to affect both domains, the environmental impact still needs further consideration.

The views of the primacy of managerial vs. environmental impact on strategy have fluctuated between two poles. Thompson (1967) joins Barnard (1938), Selznick (1957), Chandler (1962), Ansoff (1965) in pointing out the human influence. However, in the 1970s the deterministic stance consolidates, and along with the shift toward strategic processes strategic thinking loses sight of top executives. In mechanical models the impact of the environment, technology and size are seen as determinants of organizational structure (Hage & Aiken 1969; Blau, 1970). The proponents of population ecology (Hannan & Freeman, 1977; Aldrich, 1979) stress the firm's life cycle and consider environmental impact domineering. For them, various internal and external constraints reflect partial inertia and the managerial options are limited. In techno-economic frameworks the human influence is hidden under product matrices and competitor analyses (Schendel & Hofer, 1979; Porter, 1980). Finally, in the1980s Kotter (1982), Hambrick and Mason (1984) and Hambrick and Finkelstein (1987) among others swing the balance back in the favour of strategic masters and/or visionary leaders (cf. Westley & Mintzberg, 1989). Ever since, this view has been dominating, and first perceived, then enacted environments emphasized.

According to the upper echelons theory managerial discretion measures top managers' ability to affect organizational outcomes like strategic orientation (Hambrick et al., 1984; 1987). Strategic domain is here seen as one of the major outcomes. For owner-managers managerial discretion entails a right and a responsibility, indeed, a must to make choices about strategic domain. Perception, tenure, expertise and other personal characteristics are of essential importance when owner-managers before choosing or taking strategic action consider which issues belong within their domain and which remain outside. This indicates that bounded rationality (March & Simon, 1958), patterns of thought (Pettigrew, 1985; Miller, 1993; Eden & Spender, 1998), knowledge orientation and content (Hunt, 1991), and action determinism (Elster, 1984) restrict their potential to make choices - to enact and to influence strategic domain. In addition, external interdependencies and relationships, and internal capabilities of the company constrain or facilitate discretion (Hambrick et al.,

1987; Eccles & Nohria, 1992; Child, 1997). But how do strategic domain and an owner-manager's domain relate to each other?

The area controlled *or* influenced is consistent with the idea of a manager's domain. Domain of authority implies the former sense, however, the latter intension is more inclusive and coherent with the existing literature. Moreover, closely related with any domain is boundary spanning, which refers to attempts to widen it. Kotter and Lawrence (1974) define a mayor's domain prescriptively to include different areas of city life on which he should have an impact. Stewart (1982, p. 6) distinguishes between strategic and personal, factual and perceptual domains, and considers a manager's domain "the area within which he or she can be active". A need to influence outside formal authority underlies both views, and the emphasis suggested is strategic. This indicates, on the one hand, that strategic domains guide or should guide boundary spanning of owner-managers' domains. On the other hand, extensive personal domains provide valuable triggers for refining strategic domains proactively (Mintzberg, 1973; Kotter, 1982). As regards the means of influencing, *leadership,* defined as interpersonal influence here, is considered vital within domains and in boundary spanning. Leadership may extend across, over, and far beyond organizational boundaries (Burns, 1978; Hunt, 1991; Bryman, 1992; Wahlgrén, 1997). In addition, other means such as networking, politicking, lobbying and expertise do exist.

The questioning and answers suggested in this section give rise to the following propositions.

Proposition 2: *The relationship between strategic domain and that of the owner-manager is mutually pervasive.*

Proposition 3: *The owner-manager may shape and extend both domains by leadership.*

Proposition 4: *An owner-manager's domain refers to his or her perceived area of influence.*

Strategic domain shapes and is shaped by the owner-manager's domain, and the owner-manager is an intermediating, proactive or reactive actor. The overlap between domains is extensive. Owner-managers' merging organizational and work-related goals speak for this (Gibb & Davies, 1990; cf. Jensen et al., 1976). Moreover, stakeholders often identify firms with their owner-managers, which implies that the expectations hold converge (Wahlgrén, 1997). The interests and other reflections of ownership culminate in the overlapping area, which is here - due to its location - regarded as a subdomain, domain of ownership. Seen from the external stance, control over main domains is limited, however, through leadership they may be influenced. The perceived ability to influence captures the intension of an owner-manager's domain accurately. To translate domain into owner-managers' action; into activities and interests underlying them we shall next review briefly what managers do, and introduce two constructs closely related to this discussion.

Which reflects "a particular area of interest" and is reflected in "activity"

A manager's domain may be seen to consist of activities, what he or she does. These overt manifestations of behaviour illustrate, more or less, his or her choices. Managerial work contains various choices (Stewart, 1976). Actually, discretion to make choices, however constrained it occasionally may be, distinguishes management from administration (Whitley, 1989). Hales (1986) perceives managerial work so ill-defined that part of it deals with determining its own boundaries, whereas for Sayles (1964) this implies managers' proactivity for pursuing their own interests. Property rights of ownership are assumed to further the discretionary nature of managerial work. It follows that to stake out effective, opportunistic, domains owner-managers need clear objectives and causal understanding. Most choices aim to extend domain and reflect a search for new opportunities or other ways to increase influence, but restrictive choices are also possible. The focus of work is a major choice. Interactions are revealing and highlight the area influenced or sought to be influenced. Those who do not think strategically focus downwards, while those with a broader view interact laterally, upwards, and outwards (Carlson, 1951; Mintzberg, 1973). Nevertheless, various external and internal expectations, constraints and demands, communicated during continuous interactions restrict owner-managers' personal choices (Thompson, 1967; Stewart, 1982).

In addition to activities discussed above, there are some other activities widely accepted and worth of interest here. Sayles (1964) suggests that political activities like negotiating and networking promote far-reaching leadership and sees relationships as important modifiers of managerial assignments. Mintzberg's (1973) role classification contains ten activity groups, which are conceptualized in an intuitively appealing way. Leaderhip is essential and reflected in managers' interpersonal, informational, and decisional roles. Further, socializing and politicking (Luthans et al., 1988) might facilitate to create, maintain, and widen domains. Finally, Watson's (1994) view, in which managers strategically shape their lives to processes whereby organizations are strategically shaped to survive within their external environment is coherent and challenging for this study. Otherwise, the consensus on the elements is minor. In contrast, according to Hales (1986) 'variation of variation' seems to characterize managerial work. This leads him to question, whether what managers do may at all be considered managerial. For owner-managers certain scepticism might be relevant, as their quest for control and/or integrated tasks often result in getting involved in everything (Gibb, 1996).

Managers' activities and interests behind them become to a certain degree apparent in their roles. 'Role' is a rich concept suitable for exploring persons in social positions. The coherence of this inquiry calls for adopting Biddle's (1979) view, in which roles reflect expectations shared between a focal person and his or her role senders. Managers are thought to behave in response to expectations associated with their formal positions (Katz & Kahn, 1966/1978). They can, however, focus attention to certain expectations, modify and select them, influence role senders and present own expectations (Weick, 1987; cf. Tsui, 1984). This cyclical impact is called expectation enactment (Fondas et al., 1994).

This way leadership may be used to further self-expectations among role senders. Nevertheless, dominant - powerful and legitimate - expectations set the landmarks also for owner-managers' domains (cf. Thompson, 1967; Mitchell et al., 1997, Wahlgrén, 1997). Within these boundaries self-expectations are fulfilled to a satisfying extent. Owner-managers' opportunities to expectation enactment are outstanding within firms, but favourable external conditions insist sufficient independence in relation to role senders. On the whole, an owner-manager's domain bears a resemblance to an evolved job (Miner, 1987), which develops around the jobholder's abilities, interests and priorities.

Self-efficacy helps to understand the interplay between owner-managers' activities, interests and self-expectations. The construct is derived from the social cognitive theory, which highlights a triadic influence between behaviour, cognition, and the environment (Bandura, 1986). Self-efficacy refers to a person's "estimate of his or her capacity to orchestrate performance on a specific task" (Gist & Mitchell, 1992, p. 183). This indicates that self-efficacy influences the individual's choices, goals, activities, effort, and self-expectations (Bandura, 1986; Wood & Bandura, 1989; cf. Rotter, 1966). Wahlgrén (1998) presents empirical support for this in an owner-manager context. If owner-managers are able to choose, they prefer activities at which they feel self-efficacious and from which they derive self-satisfaction. Hence self-efficacy acts as an important filter through which owner-managers refine their self-expectations. This might also explain choices which voluntarily restrict their domain and further strategic domain (cf. Penrose, 1959).

The following propositions summarize the previous discussion:

Proposition 5: Owner-managers may enact their domain by expectation enactment.

Proposition 6: Self-efficacy determines the claims owner-managers stake for themselves in terms of activities taken, means used and relationships engaged within and beyond their domain.

Owner-managers' activities illustrate their overt domain and reflect their judgements of self-efficacy. Further, self-expectations bear an integral relation to an owner-manager's domain. The extent of domain indicates how widely self-expectations are shared and how successful expectation enactment has been. Self-efficacy, on the one hand, and core competencies of strategic domains (Prahalad & Hamel, 1990), on the other hand, imply domain specific capability or rather expertise. At present domain often refers to the sphere of expertise. In this sense it is mainly used within computing, in the fields of systems design and analysis, in particular. This leads us to narrow down the inquiry further by addressing how expertise, i.e. knowlegde, experience and expertise, might be related to owner-managers' managerial domain.

But is still defined by domain expertise, "realms of thought and knowledge"

Knowledge, experience and expertise are tightly linked together. To explicate this argument, we have to explore the primary forms of knowledge first. For

ancient Greeks 'techne', being able to get things done, represented the practical type of knowledge. Ever since a distinction between theoretical and practical knowledge has existed, although the names have varied: knowing what and knowing how (Ryle, 1949), knowledge about and knowledge of acquitance (James, 1950) and objective and tacit knowledge (Polanyi, 1962). More importantly, bounded rationality (Simon, 1958) implies that knowledge has boundaries. It follows that knowledge may be seen as domain specific. As to our focus, tacit knowledge is implicit and embedded in managers' action (Nelson & Winter, 1982; Spender, 1998). Leaning on constructivism the importance of perception and social aspects in knowledge acquisition have to be stressed as well (Kelly, 1955). Indeed, we argue that knowledge cannot be separated from activity, for its quality is only evident in that activity.

Respectively, expertise is considered domain specific. Domain experts acquire expertise from explicit knowledge and a fund of personal experience. Specific aspects of domain expertise include knowledge of various procedures, details, objective knowledge, interpersonal and cognitive skills, and goals (Ford & Adams-Webber, 1992). This implies that expertise has little generality outside its domain (cf. Kotter, 1982; Whitley, 1989). Bereiter and Scardamalia's (1993) conception of expertise is tempting for this study. In their view there is a class of problems which are endlessly complex and where progressive problem solving never reaches an end. These constitutive problems are crucial to expertise. For example, a constitutive problem of teaching is the elimination of ignorance. An expert domain is significantly defined by its constitutive problem: if it is changed, the domain is changed fundamentally. In this logic, to define a manager's domain we must determine the constitutive problem of managing first. For owner-managers it has to contain interests of ownership. In the end each owner-manager construes this problem individually and different views might prevail, but we propose that ensuring the survival of the firm captures this idea (cf. Watson, 1994).

As a whole, knowledge, expertise and experience are argued to be inseperable, domain specific and circular. Cognition and perception mediate in the process where experience becomes knowledge (Bandura, 1986; Spender, 1998). The interplay of action and experience, the relationship between thinking and acting, and the dynamics of learning and forgetting are all significant here. As organizations develop and change so must managers and their expertise. The interdependent and contextual nature of managerial work highlights interactional skills, systemic understanding and tacit knowledge. Pitcher's (1997) managerial characters link feeling, seeing, thinking and acting. She considers experience essential to all forms of managers' learning: imagination, skill, and brilliance. Imagination reflects the discontinuous, poetic way of learning typical of artists, skills vital to craftsmen are acquired by trial and error, and technocrats' brilliance derives mainly from analytic experience and diligence. For reasons of simplicity, in this paper expertise refers to knowledge, expertise and experience, and, accordingly, includes different forms of knowledge.

These arguments give rise to our last propositions:

Proposition 7: An owner-manager's domain contains a subdomain, which may be used to distinguish between managerial and non-managerial work.

Proposition 8: This managerial domain integrates the activities, tasks, roles, and relationships relevant for ensuring the firm's survival.

In designing expert systems domain is a central concept: it integrates the tasks relevant for the domain's operation, and determines the logical and distinct boundaries beyond which other domains must be engineered. This paper argues for its analogous use here. Consequently, it calls for accepting Hales' (1986) view, in which what managers do and managerial work should not be regarded as synonymous. Managerial expertise is crucial in managerial domain. Within this subdomain an owner-manager's work should focus on dealing with the survival of the firm, or some other constitutive problem. In this purpose the realm of the owner-manager's thought - or imagination - becomes essential, for it is thought, and only thought, which ultimately extends beyond all kinds of boundaries excluding those of its own (cf. Pettigrew, 1985).

THE WHOLE AND THE PARTS OF 'AN OWNER-MANAGER'S DOMAIN' – A SUGGESTION

The vague tradition of domain within management and organizations studies, its various dictionary definitions and contemporary use speak for differing conceptions of its intension: level, scope and significance. The attempt to integrate them into an empirically meaningful whole with theoretically coherent relations between its parts has resulted in a new understanding, which is here summarized by means of a conceptual framework (see also Figure 2). The framework consists of eight semantic propositions which explicate owner-managers' reality in managerial work. Semantic propositions are not arbitrary, instead they may be positioned somewhere between nominal definitions and hypotheses about reality. Although this suggestion concentrates on owner-managers, it hopes to contribute more broadly by presenting a holistic view, which captures the embedded nature of managerial work.

    An owner-manager's domain is his or her perceived area of influence. Besides this definition, there are some characteristic features which specify our interpretation. The area of influence experienced 'to belong' to the subject captures its intension, as the usage of the genitive refers. Instead of power or authority this *subjective experience* may be illustrated by referring to space, latitude of action, discretion or freedom in managerial work. An owner-manager's domain is a powerful abstraction for conceptualizing the outcome of the interdependence between the focal manager, his or her managerial and non-managerial work, the firm and the external environment. The fluctuating nature of dependency is highlighted by explicating an owner-manager's domain as a *social relation* embedded within a network of relationships: during interactions the whole and its parts shape and are shaped by the expectations of different

role senders (cf. Sayles, 1964; Kotter, 1982; Watson, 1994). It follows that the owner-manager's domain is *dynamic*, its scope is apt to evolve and change. Ontologically, it is a mental representation filtered by the focal manager's cognition. In short, an owner-manager's domain exists in his or her mind (cf. Weick, 1979; Trist, 1983). Reflections of its elements, parts, can still be observed in daily action: in activities – in what he or she does, in interactions and relationships – with whom he or she interacts, and in roles – how he or she works (cf. Stewart, 1982).
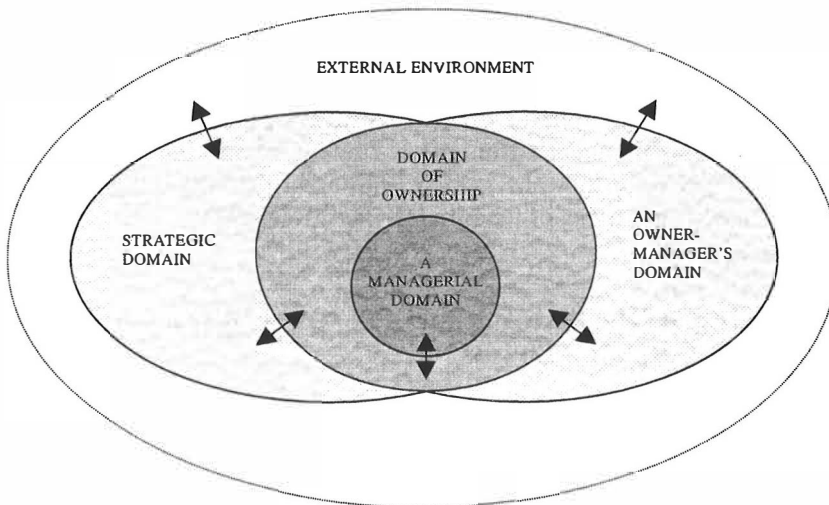

FIGURE 2   An owner-manager´s domains

Ownership provides the individuating context for an owner-manager's domain. It creates the essential connection, an internal unifying purpose between an owner-manager's domain and strategic domain. In this paper domain of ownership refers to their overlap, which contains expectations common to both domains. Its scope varies and highlights the intermediator's want to control strategic domain, in particular. Ownership *promotes* an owner-manager's domain, on the one hand. It entails formal authority, and may, over time, facilitate to foster organizational culture which supports the owner-manager's extensive influence. Besides, it furthers managerial discretion and provides good options to enact strategic domain. Externally, ownership may be most useful in expectation enactment, and its positive impact is often reflected in both domains. On the other hand, major ownership *may* also *restrict* an owner-manager's domain. The solitary position is susceptible to human limitations, especially those deriving from expertise. Moreover, the various responsibilities of ownership imply that an owner-manager may experience his or her domain to shrink immediately if external dependencies increase slightly. Such sensitivity might even be characteristic, and at worst when financial dependency is growing (cf. Wahlgrén, 1998).

Managerial domain is a subdomain situated within domain of ownership - in the core of all domains. It integrates the activities, roles and relationships relevant for ensuring the survival of the firm. The usage of 'managerial' is descriptive and labelling here, and catches the essence of this expert domain. The constitutive problem of *owner-managing* defines its boundaries and highlights work to be done. Most of its activities and other elements are not observable. Nevertheless, their quality, i.e. expertise, becomes evident in owner-managers' managerial discretion in relation to strategic domain and in their attainment of other important goals. The systemic and embedded nature of owner-managers' domain implies that the consequences of managerial domain are reflected on the whole. Self-efficacy and need to control are crucial here. Expertise estimated insufficient may lead to restricting own efforts, while attempts to maintain control may indicate that nobody else is allowed to take action either. Both may result in limiting the growth of the firm (cf. Penrose, 1959). Compared with the focus domain, which is evolving in a constant flux, the subdomain is more stable thanks to its buffers. It can be buffered by delegation, personal networks and non-managerial activities, which are more overt in nature and hence open to evaluation by external role senders. Last but not least, strategic domain provides a vital, yet highly interdependent buffer.

DISCUSSION AND IMPLICATIONS

The main contribution of this paper is the holistic conceptual framework of an owner-manager's domain proposed for examining managerial work. Concepts have to be revised and refined as conditions and contexts change. Managers, organizations and their environments are in constant flux. More importantly, domain is here applied into a new context. The paper adopts an owner-manager perspective, integrates dictionary definitions with various theoretical ideas, and aims to further understanding primarily within management studies. Thanks to its focus it also offers implications for scholars of entrepreneurship and small business management. Research on managerial work has often been criticized for being atheoretical and neglecting conceptual development based on previous contribution (Hales, 1986; Stewart, 1989). In response, this conceptual analysis builds on existing literature – doctrine - and closes by introducing a new suggestion into contemporary managerial language. Within the broader framework of organizations and management research the inquiry may be positioned near 'the strategic choice view' of Astley and Van de Ven's (1983) typology, as our starting point has been managerialistic and the focus on micro level. Enactment and proactivity are central in this voluntaristic orientation, which is most consistent with the setting of this study.

Interpretation is perhaps the most basic act of human thinking, and a concept represents a way of doing it. Hermeneutics has provided the underlying basis for this search for something essential and general across the uniqueness inherent in domains, their masters and their choices. An owner-manager's domain has been interpreted starting from the researcher's horizon.

The dictionary definitions chosen to outline conceptual evolution were fertile in fusing the horizons of the researcher and the texts by presenting important questions and additional insights. For highlighting the circularity of the dialogue they proved somewhat problematic: they determine the ordering of theoretical issues to some extent and might indicate fluent progress of the interpretation. This paper separates texts from their con-texts, which may be criticized. However, each text resembles 'textum', a fabric consisting of various materials combined (Palonen, 1987). Through interpretation these materials are weaved together and a new textum created. Readers are free to go on weaving it, for this proposal will arouse different meanings among different weavers. The word domain as every other word is learnt in the context of its use, which in effect provides a reportive, implicit definition - a point of reference for each reader.

This paper makes theoretical contribution within the conceptual framework. The conception of an owner-manager's domain as his or her perceived area of influence does not differ elementarily from that of Kotter and Lawrence (1974) or Stewart (1982). In contrast, the distinction between managerial and non-managerial work based on different domains is most important. We suggest that ideas utilized in designing expert systems may be adapted in examining managerial work. Strangely enough, our idea of managerial domain and its buffers bears a resemblance to those adopted within the classical school of management (cf. Fayol, 1916/1949; Gulick & Urwick, 1937). Managerial functions often critized and questioned within inductive management research seem consistent with managerial domain's covert activities which are protected by more secondary ones. This view supports the stance taken by Carroll and Gillen (1987): managerial functions are not incompatible with what managers do, yet as such they cannot be observed by outsiders. The reason is plausible. Dominant role senders evaluate overt elements of managerial work with their expectations (cf. Tsui, 1984), while the core activities are more or less hidden. In addition, this paper contributes understanding of owner-managers' work by introducing domain of ownership into the discussion. Although the complex mechanisms through which these domains shape each other are here explored only partially and with a subjective flavour, the conceptual framework seems to pass Carnap's (1947/1956) criteria: it is useful, effective and fruitful for theoretical and empirical purposes.

The study has implications for scholars and practitioners. The systemic nature of owner-managers' domain begs challenging questions to be addressed in further studies. To begin with, the perceived relation between strategic and personal domain and its impact on owner-managers' work is intriguing. For this purpose research focusing on managerial cognition seems most promising. As to owner-managers with more than one venture the impact of differentiated strategic domains appears also crucial. Secondly and equally importantly, domain of ownership deserves inquiries of its own, while it here has remained in the background. This domain may be even more relevant in the future, for the present trend implies that top executives' ownership has positive effects on companies and their performance. Thirdly, the interplay between the parts of an owner-manager's domain and the claims associated with each domain are

worth further effort. In research on owner-managers it might be useful to distinguish founders, their successors within the family, and all others. Finally, for example, core competences and resource dependencies of the firm may represent key contingencies, the effect of which on each domain should be explored in detail.

Domain may evoke inspiring associations for practice, however, its significance in practice can be evaluated only by practitioners. Owner-managers' workload may become lighter when they perceive the options for mentally defining and proactively shaping domains, their environments, and the interrelationships between them. This might even be more important now that 'new managerial work' entails wider accountability and more external expectations, meanwhile networks call for stronger ties and deeper interdependence. Through successful expectation enactment boundaries of all main domains might be spanned to some extent. The distinction between an owner-manager's domain and its managerial subdomain might be helpful in complex situations, which demand prioritizing. In those instances the activities of managerial domain should set the tempo and the deadlines.

In closing, conceptual development and change is by no means a phenomenon safely confined to the past. In contrast, it is continuing even as and because - we speak and write; perceive, think, learn, and try to understand reality. Therefore, as an owner-manager's domain evolves in, due and through his or her daily work, it also evolves within management and organizations literature reflecting the current era. The present paper has addressed this audience with one suggestion hoping that it for its part furthers and triggers conceptual development and understanding in this area. More weavers are still needed - in owner-manager context, in particular, where 'textum' of domain remains in an embryonic stage.

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PART II: THE ARTICLES

Fourth article: A Systemic Framework for Understanding Owner-managers'
Managerial Work

Abstract

This paper presents a systemic framework for studying the managerial work of owner-managers of small-to-medium sized firms (SMEs). Despite their economic and social importance there appears to be little documented evidence concerning owner-managers and their managerial work. The domain framework suggested here contributes by providing conceptual tools which enable us to understand how business ownership and managerial work are related in owner-managers' mind. This conceptualization synthesizes a number of theoretical constructs and findings of two previous qualitative studies. Owner-managers' personal domains presented here outline their perceived areas of influence which overlap strategic domains of the firms. Domain of ownership covers their intersection. It is a complex cognitive sphere which contains owner-managers' expectations related to ownership and creates a context for their managerial work and domain. These four domains are mentally constructed, yet socially shaped by stakeholders' expectations. Expectation enactment protects the domains and aims to further mastery. Mastery refers to owner-managers' perceived ability to self-organize and control these interrelated domains in mind. It requires, above all, that the rights, duties, and responsibility involved in mental ownership are perceived to be in a proper balance.

Keywords: owner-manager, managerial work, ownership, domain, expectation, systems thinking

1 INTRODUCTION

Owner-managers make significant economic and social contributions to world economies. Despite their contributions, research targeted specifically at owner-managers has been limited. In part, this neglect can be attributed to their position at the boundary of entrepreneurship, on the one hand, and organization and management, on the other hand. There are also other contributing factors for this dearth of research. The explicit distinction between entrepreneurs and owner-managers (see e.g. Carland et al., 1984; Dale, 1991; Gartner, 1988; Schumpeter, 1934/1949) appears to have encouraged investigators to focus their effort on exceptional, innovative, and growth-seeking entrepreneurs. Recently, academic interest has concentrated on intrapreneurship or corporate entrepreneurship; entrepreneurial managers, entrepreneurial persons, entrepreneurial values, entrepreneurial behaviours, and entrepreneurial teams (cf. Gibb, 1996; Koskinen, 1996; Kovalainen, 1993; Mäki, 1999). This broadening of focus reflects the perception that entrepreneurship has a positive impact on organizations. The notion of personal ownership is fundamental to this view. When observed from this perspective, it is interesting to note that little attention has been placed specifically on the issue of ownership in the context of managerial work. This issue is topical now that an increasing number of executives are becoming significant shareholders of the firms in which they are working. Notwithstanding the positive effects of combined ownership and management, business ownership deserves attention in its original setting, among owner-managers.

This paper analyzes how managerial work and ownership are related in the minds of the owner-managers of small-to-medium sized enterprises (SMEs). Owner-managed or owner-controlled firms are the numerically dominant form of enterprise in most economies. These types of businesses show extensive diversity in terms of the industry, size, and structure. Owing to this diversity, this study focuses on Finnish owner-managers of SMEs, but excludes self-employed owner-managers without employees and small craftsman-employers with a few employees[1]. For Bolton (1971) three qualitative aspects are crucial in a SME context. First, the firm should be small or medium-sized in relation to its market. Second, it should be owner-managed implying that the owner-manager is actively involved. Finally, the firm should be relatively independent of outside ownership and control. As independence of outside control seems problematic (Wahlgrén, 1998), major ownership is used as the third criterion. Further, a psychological bond between an owner-manager and the firm is presumed to exist.

Neither managerial work, ownership nor their relationship can be studied in isolation from a social environment. Holistic conceptual tools which help to capture these connections and to further the understanding of the complexities involved are essential. It is for this reason that *systems thinking* (Bateson, 1972; von Bertalanffy, 1968; Vickers, 1965/1995) was applied to integrate the present

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1   Over time the classical entrepreneurial identity often develops toward the identity of the owner-manager (cf. Smith, 1967; Stanworth & Curran, 1973).

study. Other conceptualizations employed to frame this investigation are consistent with a systems approach. *Stakeholder approach* (see Rhenman & Stymne, 1965, in particular) and *role theory* (Biddle, 1979; Katz & Kahn, 1966/1978) are useful paradigms for conceptualizing owner-managers' perceived interdependence with their external environment and illuminating their lived experience. 'Environment' is here viewed as enacted (see Weick, 1969/1979) and personified by stakeholders. Stakeholders are individuals or groups who can affect or are affected by the achievement of the organization's objectives (Freeman, 1984, p. 46). Accordingly, 'external' refers to those stakeholders who are outside an owner-manager's formal control, i.e. authority. Role theory suits for analyzing social positions. Associated with every position is "a set of activities or expected behaviors" (Katz et al., 1978, p. 188). The incumbent is thought to behave in response to *expectations* sent by his or her role senders. Stakeholders are here seen as owner-managers' role senders who influence owner-managers' managerial work by communicating their expectations. However, owner-managers can also become the source of the expectations or otherwise affect or effect them (Fondas & Stewart 1994, p. 88; cf. Sayles, 1964). This circular impact is referred to as *expectation enactment*.

This paper aims to make *conceptual contribution which furthers the understanding of owner-managers' managerial work* within their external environments *in three ways*. First, it contributes *theoretically* by explicating the relationship between managerial work and ownership through a system of interrelated expectations. The domain framework proposed synthesizes three previously published studies (Wahlgrén, 1997; 1998; 1999[2]). The qualitative data collected from 28 owner-managers in total has had a profound impact, in particular on construing a new conception of business ownership[3]. The importance of owner-managers' reality constructions, life worlds, and their lived experience indicates strongly that the framework proposed has relevance to the practitioners as well. In this way the present paper makes *practical* contributions which may further developing owner-managers' managerial work. By applying ideas of systems thinking and, thereby, showing the relevance of the conceptual framework at *a meta level*, it also contributes in a third, more abstract sense.

Next, the paper proceeds with presenting theoretical elements which have triggered and guided this thinking. Ownership and its elements - rights, duties, and responsibility in particular - are discussed first, then the notion of an owner-manager's mental ownership is proposed and some relevant ideas of systems thinking are shortly introduced. Thereafter the refined domain framework and its systemic nature are addressed in detail. The paper closes by

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2   These studies are: "Similar Positions, Different Leaders – A Case Study of Four Finnish CEOs and the Expectations Formulating Their External Managerial Behaviour", Academy of Strategic and Organizational Leadership Journal, Vol. 1, No. 1-2, 1997, "Entrepreneurial Freedom – Just a Myth?: An Analysis of Finnish Owner-managers' Perceptions", Academy of Entrepreneurship Journal, Vol. 4, No. 1-2, 1998, and "A Manager's Domain Revisited – A Conceptual Approach from an Owner-manager Perspective", Academy of Entrepreneurship Journal, Vol. 5, No. 1-2, 1999.

3   The empirical data and the methods used are introduced in detail in Wahlgrén, 1997 and Wahlgrén, 1998.

drawing conclusions and discussing the implications and ideas for future studies.

2 THEORETICAL ELEMENTS

The main objectives of this paper are to explore a) *how owner-managers perceive ownership,* and b) *how ownership and managerial work are related in their perception.* For this reason a conceptual framework mapping owner-managers' domains and their relationships is used (Wahlgrén, 1999). In order to achieve these objectives this paper requires two tasks. First, that ownership is analyzed and adapted to suit a SME context. Second, that the domain framework is conceptualized within a systemic framework. *'Domain'* is integral for both tasks, as this construct is suitable for grasping multidimensional, ambiguous, and systemic phenomena. The domain framework consists of four mentally constructed, yet socially shaped domains. An owner-manager's personal domain refers to his or her perceived area of influence both in work and in personal life. It overlaps the strategic domain of the firm, which consists of his or her expectations concerning the business idea of the firm (cf. Norman, 1975). The overlap is here called domain of ownership. It is composed of an owner-manager's expectations related to ownership. Domain of ownership contains the managerial domain within which expectations common to all domains are integrated. Mastery over domain of ownership seems integral for owner-managers and their managerial work (Wahlgrén, 1998).

Business ownership may be considered a distinguishing feature. Owner-managers are a nominal hybrid of managers and owners. Managers are the figureheads managing organizations owned by often faceless owners. What it means to be both a manager and a major owner seems not be fully understood. Business ownership is, however, seen to make the main difference between owner-managers and 'professional managers' (cf. Chandler, 1977; Drucker, 1977). In this way ownership is often, at least implicitly, regarded as a barrier for professionalism in management. Two different rationales seem to further such a conception, although the essence of professionalism is unclear[4]. On the one hand, the *unitary economic interests* of ownership are presumed to dominate in decision-making (Donaldson & Lorsch, 1983). This assumption has been popular ever since Berle and Means (1932/1991) presented their ideas on the separation of ownership from control, which lay the foundation for managerialism. On the other hand, owner-managers' strong *emotional bonds* and holistic involvement in the business are considered irrational and, thereby, harmful for management (cf. Kets de Vries, 1977, 1995; Nöel, 1989). In either case, the conceptions of ownership and its meaning differ clearly.

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4   It has to be noted that the professionalism of employed managers has also been questioned (see e.g. Hales, 1986).

2.1 Ownership and its elements

Ownership is an individual and a social phenomenon which can be approached from different disciplines and from various perspectives. Most views stress the legal and economic aspects of ownership. It appears that no theory of business ownership exists, although, for example, theories of the firm deal with ownership within organization and management field (cf. e.g. Coase, 1937). One of them, agency theory, posits that a firm cannot be owned, instead, private firms are *legal fictions* which serve as a nexus for contracting relationships (Jensen & Meckling 1976, p. 311). Nevertheless, different owners have different relationships to business ownership, i.e. to the firm. The main differences deal with owners' involvement in the firm, the extent of ownership, and the time orientation of ownership which may be short or long-term. Respectively, owners may be insiders or outsiders, institutional or individual, professional or non-professional, active or passive, significant or minor shareholders, venture capitalists, majority or minority owners, or owner-managers. This implies that the meaning of ownership can vary to a large extent[5]. This aspect is crucial, since *business ownership is*, consistent with the role theory, *seen as involving various personal and social expectations*. As an owner-manager occupies a dual position, these expectations are, more or less, intertwined with those held and received as a manager.

Ownership is here approached from a philosophical stance. Philosophy and political theory, in particular, have widely influenced our conceptions of ownership. The main traditions, socialism and liberalism, are polarized and stress either social or individual perspectives. Both frameworks share, yet, the idea of *ownership as a right constituted relationship* between persons with respect to objects or things, which may be material, mental or conventional (Lagerspetz, 1998, p. 26). To own something involves rights and duties or responsibilities of owners and creates duties in others[6]. Rights may be regarded either as powers, i.e. liberties, or as claims not to interfere. The rules which prescribe the rights and duties may be either moral or legal or both (see Grunebaum, 1987). The relationship between labouring and owning has been central ever since Locke's account of property as lives, liberties, and estates laid the foundation for possessive individualism (see Laslett, 1967). This philosophy of ownership proposes that an individual has a right to own his person and, thereby, the labour of his person. Work is seen as purposive activity by which a thing is changed and its value added; for example, land is cultivated, to make it more useful or beneficial to the labourer (see also Smith, 1955). In this way it is inferred that an individual has a right to own that which he has mixed the labour of his person with (see e.g. Becker, 1977; Ryan, 1984; Takala, 1999[7]).

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5   The terms used in describing ownership differ: ownership structure, owner control and significant shareholdings are typical. They suit well for examining institutional ownership, but for exploring owner-managers' ownership they are too restricted.

6   Duties and responsibilities are used interchangeably in texts dealing with ownership. This is problematic here.

7   Takala's (1999) historical view on the managerial thoughts concerning ownership, responsibility and leadership addresses some of these issues in a social context.

Mental ownership

The idea of mixing work and person with the owned is fundamental for *mental ownership*. Mental ownership contains material and personal ownership of a mentally construed object. An owner-manager owns and manages 'a firm', which is here seen as a mental construction, a fiction (cf. Jensen et al., 1976). Material assets form the core of the owned, while the rights and duties involved are mainly determined by law. *Material ownership* requires, however, cultivation to become a viable business: an owner-manager's vision and ideas, expertise, knowledge, experience, and social capital are all needed. This is why an owner-manager may be considered the essence of the firm (cf. Schumpeter, 1949). The non-material assets invested in work and mixed with material assets bring about *personal ownership.* It changes and extends the owned significantly in mind. In addition, personal ownership strengthens the psychological bond between an owner-manager and the firm, furthers intrinsic motivation and commitment, and may thus create satisfaction (cf. Deci & Ryan, 1985; Schein, 1978[8]).

Owner-managers' expectations related to the mental increase of the owned are of particular interest in this study. The rights and duties personal ownership entails are largely moral and ambiguous for outsiders, who mainly focus their attention on material ownership. To complicate the issue further, owner-managers' person and identity are intertwined, as business and personal life may constitute one and the same thing for owner-managers who often rather live their work than just do it (cf. Stanworth et al., 1973). To conclude, owner-managers seem to expect that the rights mental ownership involves provide them *a sphere of non-interference* in relation to their external environment. This perception is here conceptualized by domain of ownership. Further, in mind these rights appear to be constantly contrasted with the duties perceived and the overall responsibility experienced as an owner-manager.

Rights, duties and responsibility as expectations

Mental ownership of a firm may be considered a right constituted relationship between an owner-manager and his or her stakeholders. Accordingly, the right, duties, and responsibility involved may be seen as expectations held by these parties. Owner-managers expect that being an owner-manager brings about self-determination. Self-determination is here referred to as *entrepreneurial freedom* (Wahlgrén, 1998) and defined following Sartre (1943/1957) as the perceived opportunity to choose. Many owner-managers, in fact, start a business of their own assuming that property rights combined with the authority of the manager will provide them autonomy, independence, personal responsibility, and various opportunities to choose (see Dunkelberg & Cooper, 1982; Goffee & Scase, 1983; Huuskonen, 1992; Koskinen, 1996). Such

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8   Schein (1978, p. 112) suggests that a 'psychological contract', which is made between the employee and the employer, defines what the "employee will give in the way of effort and contribution in exchange for challenging or rewarding work". If these expectations are not met, serious consequences will follow: demotivation, turnover, lack of advancement, or termination.

conceptions seem to prevail among stakeholders as well (cf. Whittington, 1988[9]). However, the rights and options considered primary vary and reflect the motives, interests, and goals of an owner-manager.

Hornaday (1990) classifies owner-managers into craft owners, promoters, and professional managers. For craft owners, who to a large extent fall outside the focus of this study, the right to make decisions regarding one's own work: what, when and how work is done, is often most important. Professional managers aim to build successful organizations in order "to have something to manage" (Hornaday, 1990, p. 27). This is why discretion in managerial work may be prioritized in their expectations. For promoters, entrepreneurial freedom culminates in opportunities to accumulate capital. Building on this typology owner-managers' expectations appear to highlight the meaning of either personal or material ownership. It implies that the primary source of owner-managers' *satisfaction* may vary accordingly (cf. Nichols, 1969[10]): some seem to get main satisfaction when the options related to work meet their own expectations, for others material rewards are most significant.

Interdependence cannot, however, be avoided as an owner-manager. Even though ownership entails the right to control decision-making, no firm survives without resources provided by stakeholders. Resource exchanges involve duties - expectations to be complied - which may restrict owner-managers' rights and, thereby, shrink domain of ownership. Stakeholders' expectations differ in quality: those entailing a legal justification resemble demands, while others are often perceived constraints. Duties can also be internalized (von Wright, 1980). This means that they are accepted, i.e. adopted as self-expectations. Customers' expectations, in particular, seem acceptable in owner-managers' moral judgements. Besides, as different stakeholders have different power, their expectations vary in strength. The size of the SMEs furthers developing dependencies and powerful expectations. It appears that expectations sent by financiers can be most harmful for domain of ownership (Wahlgrén, 1998).

However, owner-managers can enact their environments, influence stakeholders' expectations and present their self-expectations. This implies that expectation enactment can further balancing between the rights and duties involved in mental ownership. It requires that owner-managers have clear conceptions of what they want and a good understanding of what is possible. Holistic involvement in the business offers owner-managers numerous options to influence different stakeholders and to communicate self-expectations to them. In addition, ownership motivates them to tackle problems vigorously and see things through to a conclusion (Gibb, 1996). This may foster reputational effectiveness (Tsui, 1984), which facilitates presenting self-expectations.

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9   Whittington (1988) posits that entrepreneurial ideologies and the property rights may provide external support, which enable owner-managers to consider more action alternatives than professional ones.

10   Nichols (1969, p. 99) notes that "the modern propertied director who is actively involved in management may also derive 'professional managerial' satisfactions from his duties. If this were in fact the case the term 'managerial' would be confusing, for it fails to distinguish between (a) economic satisfactions which are 'managerial' in the sense that they are not 'capitalistic' and (b) satisfactions which may be so termed because they derive from organizational involvement".

To integrate this discussion, if the rights perceived by an owner-manager appear to exceed - to an acceptable extent - the duties involved in mental ownership, domain of ownership is not interfered. Such a balanced state of mind provides the necessary, if not sufficient, preconditions for experiencing entrepreneurial freedom in managerial work. As regards the acceptable extent, this standard is highly subjective, yet it may be closely related to the amount of responsibility experienced. Furthermore, perceived freedom may bring about satisfaction. The relationship between mental ownership and managerial work is, however, systemic and thus more complicated. In order to explore it in more detail some elements of systems thinking have to be addressed.

2.2 Systems thinking

A systems approach helps to understand complex matters and situations holistically. A system is here defined according to von Bertalanffy (1968, p. 55) "as a complex of interacting elements". A system may refer to an abstract or a physical whole having emergent properties which make it more than the sum of its parts. The roots of systems thinking can be traced to biologists, who developed the concept of an organism as an open entity, which exchanges materials, energy, and information with an environment to which it can adapt. The idea of an adaptive whole has also been exploited by organization and management scholars (see Ackoff, 1974; Barnard, 1938; Morgan, 1986/1997; Rhenman et al., 1965; Trist et al., 1963). In addition, the usefulness of models of human systems, seen as a connected set of human activities joined together to make a purposeful whole, has been emphasized for exploring purposeful action at various levels, within and between organizations.

The applications of systems thinking within various disciplines have created an epistemology and a language which can be used to discuss different, ambiguous phenomena. In this way, as a field, systems may be regarded as *a meta-discipline*. Recently, the systems language has often been used in aiming to "make sense of the world as we experience it, in particular modelling processes rather than entities" (Checkland, 1997, p. 672). Four main arguments speak for adopting a systems approach here. First, this study highlights expectations involved in resource exchanges between owner-managed firms and their stakeholders, and considers expectation enactment a means of adaptation. Second, owner-managing in SMEs is holistic and it involves complex, interrelated mental processes. Third, it seems that many owner-managers are anti-planners who live their work, make sense of things and largely react in terms of their lived experience (cf. Churchman, 1968[11]). Fourth, a systems approach has proved most relevant in studies focusing on the intertwined processes of family businesses (see Dunn, 1999; Gersick et al., 1997; Hershon, 1975).

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11   Churchman (1968, p. 14) discusses the various approaches to systems and remarks that for anti-planners the 'correct approach' to systems is to live in them, to react in terms of one's experience, and not to try to change them by some grandiose scheme or mathematical model".

As regards the phenomenon studied, a few systemic assumptions are worth pointing out. Emergent properties may be important, as for owner-managers ownership and management are more than their sum. Further, systems often contain subsystems. Therefore hierarchical structures containing the context of the context of the context seem relevant for modelling an owner-manager's managerial work as the outcome of a mental system. Survival of a system requires also 'steering' in which processes of communication and control are necessary. This is not enough here. As human systems are moral in character and moral rights essential in mental ownership, owner-managers' moral judgements have to be considered as well. This is why Vickers' (1995) ideas of an appreciative system and Bateson's (1972) conceptions of mind as a system are integrated to explicate how expectations are processed in owner-managers' mind.

Mind as an appreciative system

Expectations of others and those of oneself are crucial in an appreciative system. For Vickers (1995) this mental process consists of making reality judgements, value judgements, and instrumental judgements by which human beings locate themselves, find meaning and seek to maintain stability within a social world. Reality judgements deal, for example, with basic cause-and-effect beliefs and 'facts'[12]. As to this study, owner-managers' epistemological judgements concerning stakeholders' expectations are central. While making them, owner-managers enact their situations and environments. Value judgements involve imperatives, wants and desires, personal and social goals and norms. These mental acts define what owner-managers expect of themselves[13]. In this way, for example, duties may be internalized or duty to inherited property and responsibility for employees weighed up in goal-setting. Instrumental judgements deal with finding the means for acting on what is created by the other two. In order to reduce the misfits between stakeholders' expectations and those of oneself an owner-manager may use personal resources - time, attention, power, passion - and those social resources which can be applied by influence. In this study all these attempts are referred to by expectation enactment.

Expectations, like all ideas, interact and evolve in mind. In addition, expectations are closely related to action. Bateson (1972, p. 314) proposes that ontology and epistemology cannot be separated, in contrast, a person's beliefs about the world will determine how one sees it and acts within it, and the ways of perceiving and acting will determine one's beliefs about its nature. In this way these intertwined premises, cognitive structures, may become partially self-validating. The impact of differences is central, since mind operates with

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12   Since certain features may be considered significant as a result of the previous experience, this refers to that the social world may continuously reconstruct itself out of its own past (see Checkland, 1997).

13   Vickers (1995, p. 123) notes: "What others expect of me I recognize as a fact by a judgement of reality. What I expect of myself I define by a mental act, which is a judgement of value."

and upon differences. Differences are units of mind set apart from the stream of experience. These abstract matters, i.e. ideas, cannot be considered inputs 'given', instead, they are enacted and filtered by expectations (Weick, 1995). Differences may also be classified further into differences of differences by using psychological frames. Mind consists of closed loops along which differences are being transmitted, however, as a system it shows self-correctiveness in the direction of homeostasis (Bateson, 1972). Next the domain framework presents a conceptual model - a map - of the differences chosen and classified by the owner-managers studied.

3   THE DOMAIN FRAMEWORK

The domain framework consists of four interrelated cognitive representations called domains. The concept domain derives from the Latin adjective 'dominicum', which originally refers to belonging to a lord (The Universal English Dictionary, 1961). The meanings have diversified over time, yet the idea of domain seems to culminate in two aspects. First, domain makes reference to a sphere or an area which has boundaries. Second, it entails the notion of owning, controlling, or influencing (Wahlgrén, 1999). It is for this reason that domain is often used in texts dealing with ownership. Sometimes boundaries are observable: land property exemplifies a domain with objective boundaries. In other instances, domain is defined subjectively; boundaries cannot be detected, and hence the area is difficult to outline. Domain of thought illustrates a more abstract context of use. Each of the domains proposed (see Figure 1) reflects an owner-manager's mental classification constructed around ideas by means of psychological frames (cf. Senge, 1990[14]). According to Bateson (1972) psychological frames are exclusive: by including some messages, i.e. meaningful action, within them certain others are excluded. At the same time they are inclusive: by excluding certain messages others are included. Further, they have some degree of real existence, which implies that the boundaries may be consciously recognized and represented in owner-managers' vocabulary.

Domains of an owner-manager

Strategic domain is here considered synonymous with an organizational domain and seen as containing an owner-manager's expectations classified around a business idea. Levine and White (1961) propose that 'an organizational domain' consists of the claims which an organization stakes out for itself. For Thompson (1967) it refers to a territory occupied, ruled or pursued by a firm. In his view products and services offered, customers served, and technologies utilized define an organizational domain. Vision includes all these elements of a business idea (see Norman, 1975). This is why a vision may be seen as an

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14   According to Senge (1990, p. 8) a mental model consists of "ingrained assumptions, generalizations, or even pictures or images that *influence* how we *understand* the world and how we *take action*".

imaginary map of the strategic domain pursued. Strategic domain is, however, relational. It implies that stakeholders' expectations have to be considered carefully to ensure that resource exchanges will continue. As strategic domain overlaps an owner-manager's personal domain, their expectations interact and bring about domain of ownership within which the person and the owned are mixed.
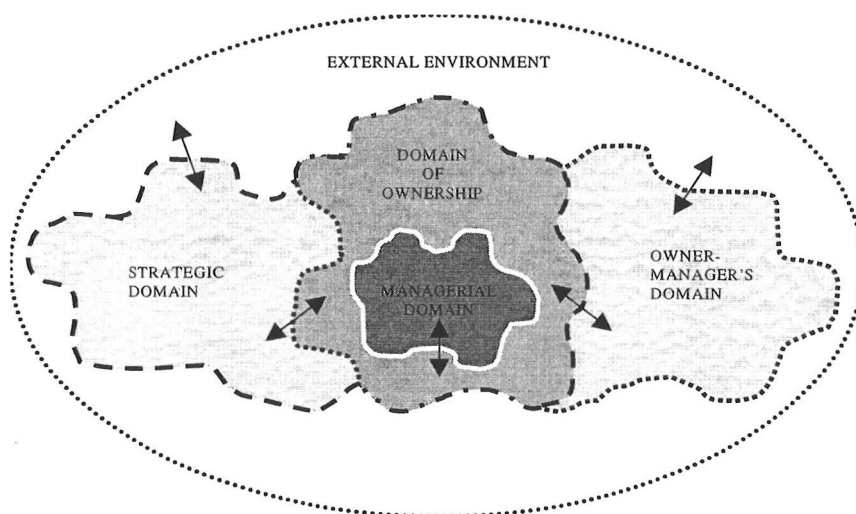

FIGURE 1   The domains of an owner-manager

An owner-manager's domain is a mental image of his or her area of influence. It encloses his or her expectations related to work and personal life (cf. Koskinen, 1996[15]). Stewart's (1982) model of factual and perceptual demands, constraints and choices formulating managerial jobs entails a somewhat similar conception. For her a manager's personal domain refers to "the area within which he or she can be active" (Stewart, 1982, p. 6), whereas Kotter and Lawrence (1974) see a mayor's domain as consisting of areas of city life on which he or she should have an impact. Both views seem to involve expectations and the idea of purposeful influence. Psychological frames enable an owner-manager to make sense of and cope with the complex web of expectations: by separating personal domain from its environment he or she is able to focus his or her attention. Within the domain expectations included are compared with self-expectations. Self-expectations are affected by judgements of self-efficacy, which refers to an estimate of one's capacity to orchestrate performance on a specific task (Gist & Mitchell, 1992, p. 183). Those expectations, which are shared, are reflected in owner-managers' action, roles in particular. In this way roles are defined as

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15   Koskinen (1996) uses the concept "arena" in exploring entrepreneurs and owner-managers of SMEs.

shared expectations (Biddle, 1979), and may transform ideas into behaviour (cf. Covey, 1989[16]).

Domain of ownership contains an owner-manager's expectations related to mental ownership. Business and person intertwine within this subdomain which provides an immediate context for managerial domain (cf. Teulings, 1986; Veranen, 1987[17]). The relationship between these domains bears a resemblance to that between freedom and its conditions proposed by Berlin (1969). For Berlin the negative freedom, freedom from, entails absence of obstacles to possible choices, wheras the positive sense of freedom, freedom to, derives from an individual's wish to make choices and bear responsibility for them. In an owner-manager's mind managerial work is conditioned by owning: ownership is expected to entail absence of obstacles to choices in managerial work (Wahlgrén, 1998). This premise is severely questioned if duties seem to overweigh rights. Such an imbalance creates dissatisfaction, shrinks domain of ownership and, thereby, seems to decrease choices available. The labilizing impact may spread further and result in disorder all over the domain system (cf. Veranen, 1987[18]). In this way the frames of domain of ownership may become more and more exclusive in relation to managerial domain. This implies that they may narrow an owner-manager's perception and prevent sight beyond them. Inside them expectations may become transmitted along a vicious circle, which may even trigger a self-fulfilling prophecy (Wahlgrén, 1997; 1998; cf. Eden, 1993; Rosenthal & Jacobson, 1966; Weick, 1995).

Managerial domain is a steering domain within which expectations common to all domains are integrated and appreciated. Therefore it may also be considered an expert domain which is defined by its constitutive problem - survival (Wahlgrén, 1999). The self is seen as the medium through which appreciation works. It refers to that owner-managers' conceptions of own identity are significant. Watson (1994, p. 205) supports such a view by proposing that managers have to 'manage' their lives, identities and work responsibilities. As regards owner-managers, they have to manage ownership as well. All these objects of managing intertwine within managerial domain and each of them provides a different perspective on 'survival'. Managing one's identity is most demanding, since expectations involved in mental ownership appear to define an owner-manager's self-concept to a large extent (Wahlgrén, 1998; cf. Markus, 1977). In order to manage the evolving identity and to preserve his or her self-concept, an owner-manager needs experiences of control - mastery. To conclude, mastery is here considered a state of mind in

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16   Covey's (1989) thinking has a lot in common with ideas presented here. Instead of a personal domain he refers to a circle of influence and remarks that "all things are created twice. There's a mental or first creation, and a physical or second creation to all things" (1989, p. 99).

17   Teulings (1986) regards ownership function as the highest level of managerial work. This way owners are seen to create preconditions for management. Veranen (1987) suggests that owners have three responsibilities. First, they define and redefine the mission of the firm and thereby set the overall rules to management as to what is acceptable. Second, owners manage the ownership structure. Third, they have to manage the top management as well. This is why ownership and management functions should be separated (cf. Berle et al., 1991).

18   Veranen (1987) sees that ownership function may have a stabilizing (positive), indifferent or labilizing (negative) impact on the performance of the firm.

which an owner-manager perceives that he or she is able to manage the duties and responsibility embedded in his or her position whereas slavery refers to inability to do this (cf. Rotter, 1966[19]).

4   DISCUSSION AND CONCLUSIONS

This paper has presented a conceptual model of how owner-managers of SMEs perceive their managerial work. The domain framework proposed explicates the relationship between business ownership and managerial work through *a system of interconnected expectations*. Owner-managing has been regarded as a mental activity and a social process. Further, this study has indicated that owner-managers' mental constructions and work activities are intertwined, although they reflect different logical levels. It is the main reason why *'owner-managing'* has been used interchangeably with 'managerial work'. The importance of ownership has also been emphasized. Business ownership distinguishes owner-managers from other managers, structures their social status in relation to their environment and brings about various expectations among stakeholders. At the same time mental ownership, a notion constructed and proposed here, provides meaning for owner-managers' work and life; creates self-expectations - ideas and ideals in mind - and may shape their identity to a remarkable extent.

The domain framework suggested is tentative. It synthetizes elements from three previous studies, all of which have utilized interdisciplinary ideas for exploring owner-managers' managerial work. This is the reason why the use of a meta language was considered necessary. The ideas and epistemology of systems thinking have enabled to integrate the main findings into a holistic framework. An owner-manager has been seen as a purposive cognizing entity. The model proposed is hierarchic: boundaries and interdependencies reflect the relations between the domains and between them and the environments enacted. Domain of ownership acts as a perceptual filter which has a crucial impact both on the subdomain it contains and on the domains which constitute it. Further, the framework indicates how interpersonal processes, most of all, expectation enactment, facilitate adaptation.

Expectations are essential. They link owner-managers to their social environment and, more or less, formulate their roles (Wahlgrén, 1997). In owner-managers' mind the interrelated scheme of expectations and appreciative judgements constitute an appreciative system. In this way expectations compose the standards against which owner-managers determine what is done. This implies that they constitute regulators for the domain

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19   Mastery is closely related to 'internal locus of control'. For Rotter (1966) people differ in the degree to which they believe that they have self-control and feel personally responsible for what happens to them. These perceptions involve a dimension of perceived locus of control. Internal locus of control refers to a perception of positive and/or negative events as being a consequence of one's own action and thereby under personal control (Lefcourt 1966, p. 207). Mastery is used for two main reasons. Firstly, mastery entails the idea of the need for legitimation. Secondly, as a metaphor it has plenty of symbolic value.

system. Stakeholders' expectations can be shaped by expectation enactment. As domain of ownership seems most vulnerable to changes in external demands and constraints, it presents the greatest challenges for this circular process. If the profitability of the firm is not judged sufficient by financiers, their increasing demands or interference in decision-making often lead to an imbalance, which may even bring about psychopathological symptoms and start a vicious circle in owner-managers' mind and action (Wahlgrén, 1998). At worst, this pattern is repeated in all domains.

Mastery may be considered an emergent property, since *an owner-manager's idea of self – master or slave – emerges from the domain system*. Independence appears to be an important trigger and a major challenge of owner-managing. Accordingly, mastery might be viewed as an overall objective. Mastery implies that an owner-manager perceives to be able to control domain of ownership. Seen from a systems view mastery requires, however, control over the domain system. This is most problematic. First, due to interdependence owner-managers cannot control their stakeholders (Pfeffer & Salancik, 1978). Second, since the self cannot transcend this system of which it forms a part, it cannot be in unilateral control of it (Bateson, 1972). In every case, mastery requires stability. As the domain system is in constant flux, equilibrium seems to be a figment of imagination, yet it can be furthered by internalizing duties. By preventing labilizing interference into domain of ownership owner-managers may be able to maintain their identities.

Each domain may be seen as both the context for and the outcome of all others, since expectations interact in the world of mind. Changes are systemic in nature: changes within one domain may change priorities elsewhere. In the same way, disorder somewhere may bring about a chaos of ideas everywhere. Severe disorders can be cured only by curing the whole system. Success and failure are, more or less, consequences of owner-managers' managerial work. Both may have a remarkable impact on all expectations. Most of all, they may churn domain of ownership and blur value judgements. Closed loops are dangerous. Getting out of a vicious circle may require some kind of a collision or external intervention which refocuses attention. The importance of self-efficacy is remarkable: by affecting self-expectations self-efficacy affects also instrumental judgements concerning all domains. Moreover, entrepreneurial freedom and competence in managerial work bring about satisfaction, which may further a positive circle of expectations both in mind and in action. As a whole, owner-managing tends to become a self-validating system.

A systems approach entails thinking in steps and looking backwards. Some aspects seem worth noting in retrospect. Systems can be explored at various levels. This study has focused on individual level bearing in mind the idea that for each human "the system he designs is his life, i.e. his self" (Churchman, 1971, p. 8). It has conceptualized owner-managers' perceptions by 'domain'. Domain suits well for this purpose, since it contains a rich system of ideas relevant for creatural description. When applied together with systems language its potential is multiplied, as the logical implications of membership in overlapping domains exemplifies. Furthermore, the manner of thinking dictates how a system will be described. It is possible that by focusing, for

example, on strategic domain instead of ownership, different aspects might have been stressed. Owner-managers' domain systems are idiosyncratic, for alternative fact nets create alternative life worlds. Hence the model suggested may not seem valid for all: some owner-managers might perceive domains or their relationships differently. Besides, it has classified managerial and non-managerial work into separate, yet overlapping domains. This distinction may appear artificial, but owner-managers' work is hectic, highly varied and it involves various activities which are not managerial in a strict sense (Hales, 1986). The aim to highlight personal life speaks also for a conceptual distinction. Moreover, owner-managers studied often refer to 'the wrong kind of work done', which indicates that differences of differences may exist.

This paper has contributed in increasing the understanding of owner-managers and owner-managing theoretically, practically and at the meta level. The systems language has integrated various theoretical constructs into an interdisciplinary model which explicates how mental ownership permeates into managerial work in owner-managers' understanding. The map presented is not the territory (Bateson, 1972; Korzybski, 1941). Instead, it shows the way and indicates general outlines, but cannot offer specific content. One must discover the content for oneself. A significant part of the contribution made concerns mental ownership. This notion which combines the economic and emotional facets of owner-managing is essential for understanding owner-managers' managerial work. In addition, it can also be utilized while exploring strategic domains of owner-managed firms. Owner-managing is complex and may not fit neatly into the model suggested, yet it may provide owner-managers practical tools useful for orientation and guidance. For those who are lost in vicious circles, the domain framework might offer hope or even be a lifesaver.

This paper underscores the importance of further research focusing on owner-managers and their managerial work. Some implications might help in this respect. Although business ownership distinguishes owner-managers from managers, it seems to be a taboo topic within the literature. Mental ownership contains promising potential to be utilized in future studies. The greatest challenges may deal with empirical access, since this issue is very sensitive. The domain system proposed is too complex and too idiosyncratic to be captured in detail, however, such a focus seems relevant for explorations taken from various disciplines. As regards organization and management research, the domain framework might, for example, appeal to those exploring managerial cognition. Due to the SME context adopted, the domain framework and all other ideas presented here are also suited for studying entrepreneurs. An entrepreneur's personal history and the life cycle of the firm might, among other things, shed more light on the evolving domains and their relationships. Furthermore, systems thinking may be utilized both in teaching and training owner-managers as well as in intervening their managerial work in order to develop it.

In closing, 'mental ownership' is fundamental for understanding how ownership and managerial work are related in an owner-manager's mind. It appears that by combining 'domain' and systems thinking the essence of this wavering and challenging phenomenon has been conceptualized.

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YHTEENVETO (FINNISH SUMMARY)

Tutkimus koostuu kahdesta pääosasta. Ensimmäisen osa käsittää johdannon, toinen osa sisältää neljä artikkelia. Jokainen artikkeleista on erillinen, joskin toisiinsa kiinteästi liittyvä tutkimus. Väitöstutkimuksen aiheena on johtamistyö. Johtamistyötä tarkastellaan ulkoisessa sosiaalisessa kontekstissa, monitieteisesti ja useasta eri näkökulmasta. Näkökulmien vaihtumisen myötä kehkeytyvä tutkimus fokusoituu johtamistyön eri tasoille ja uusiin kysymyksenasetteluihin.

Tutkimuksessa keskitytään omistajajohtajien johtamistyöhön. Aiempi johtamistyön, –tehtävien ja -käyttäytymisen tutkimus on ollut sangen irrallista. Aihealueen teorianmuodostusta voidaan pitää hajanaisena ja tasoltaan varsin vaatimattomana. Siksi myös johtamistyön käsitteellinen jäsentäminen on yhä puutteellista. Vaikka johtamistyön tutkijat ovat viidenkymmenen viime vuoden aikana tarkastelleet lukuisia erilaisia johtajia monentyyppisissä organisaatioissa, on omistajajohtajien tutkiminen laiminlyöty. Tällä hetkellä omistajajohtoisten yritysten merkitys kansantaloudelle ja täten koko yhteiskunnalle on huomattava niin Suomessa kuin myös muualla maailmassa. Kaikki nämä seikat puoltavat omistajajohtajien johtamistyön tutkimista. Tässä tutkimuksessa tarkastelu rajataan koskemaan pienten ja keskisuurten yritysten omistajajohtajia, jotka ovat aktiivisesti mukana liiketoiminnan johtamisessa ja joiden omistusosuus on vähintään 30%.

Tämä väitöstutkimus tarjoaa trianguloituja näkökulmia omistajajohtajien johtamistyöhön. Triangulaatiota käytetään kahdessa eri merkityksessä. Erilaisten tutkimusmenetelmien ja aineistolähteiden yhdisteleminen kahdessa ensimmäisessä tutkimuksessa edustaa triangulaation perinteistä käyttöä (Denzin, 1978). Käsitteellinen triangulaatio taas tarkoittaa kolmioitujen viitekehysten hyödyntämistä kohdeilmiön tarkastelussa. Jokainen kolmio määrittää kolme kontrollipistettä ja kolme näkökulmaa, joiden sisällä tarkastelu tapahtuu. Väitöskirjatutkimuksen lähtökohtana toimii omistajajohtajan, hänen yrityksensä ja ulkoisen toimintaympäristön välinen vuorovaikutus. Tämän vuorovaikutuksen tarkastelua ohjaa kolme näkökulmaa: liiketoiminnan omistaminen, yrityksen ja sen ympäristön välinen keskinäinen riippuvuus sekä todellisuuden rakentaminen eli toimintaympäristön tulkinta ja ympäristöön vaikuttaminen (enactment).

Tutkimuksen tarkoituksena on lisätä ymmärrystä omistajajohtajien johtamistyöstä. Tämä pyrkimys luo tutkimukselle käsitteellisiä, metodologisia ja empiirisiä haasteita. Tärkein käsitteellinen tavoite on rakentaa integroiva viitekehys, joka mahdollistaa omistajajohtajien johtamistyön hahmottamisen ja analysoinnin. Käsitteellisen viitekehyksen rakentaminen taas edellyttää omistajajohtajien johtamistyötä koskevien näkemysten, kokemusten ja ymmärryksen empiiristä kuvaamista, tulkitsemista ja jäsentämistä. Viitekehystä konstruoitaessa tarkastellaan myös olemassa olevaa tietämystä. Empiirisen aineiston ja aiemman tietämyksen välisen vuoropuhelun kautta väitöstutkimuksen avainkäsitteeksi nousee 'domain', josta käytetyään pääsääntöisesti suomennosta 'toiminta-alue'. Koska kullakin tutkimuksella on oma tutkimustehtävänsä ja omat tavoitteensa, on jokaiseen tutkimukseen lisäksi kyettävä kehittämään

toimiva tutkimusstrategia. Valittu lähestymistapa heijastaa ennen muuta tutkijan omaa ymmärrystä kyseisenä ajankohtana.

Tutkimusraportin johdantoluvussa tarkastellaan lyhyesti aiempaa johtamistyön, -tehtävien ja -käyttäytymisen tutkimusta. Katsaus on selektiivinen: pääpaino on niissä aspekteissa, joiden oletetaan olevan relevantteja erityisesti omistajajohtajille ja heidän toimintaympäristölleen. Johdannossa esitellään tutkimuksen käsitteelliset lähtökohdat sekä tärkeimmät taustaoletukset ja kuvataan lyhyesti tutkimuksen lähestymistapaan liittyvät metodologiset valinnat. Tarkastelu asemoidaan myös organisaatiotutkimuksen kenttään. Luvun lopussa jokainen artikkeli esitellään pääpiirteittäin.

Väitöstutkimus pohjautuu hermeneuttiseen tieteenfilosofiaan. Lisäksi sen voidaan katsoa edustavan konstruktivistis-tulkitsevaa paradigmaa. Kolme oletusta korostuu. Ensinnäkin oletetaan, että on olemassa monta todellisuutta. Lisäksi tarkastelu heijastaa subjektivistista epistemologiaa. Tämä merkitsee, että tutkija ja tutkittava luovat yhdessä ymmärrystä kohdeilmiöstä. Hermeneuttisten ja dialektisten prosessien painottaminen on kolmas tärkeä aspekti.

Ensimmäinen artikkeli perustuu tutkijan lisensiaattitutkimukseen (Wahlgrén, 1995). Artikkeli tarjoaa uuden näkökulman johtamistyöhön. Se korostaa toimitusjohtajien ja heidän ulkoisten sidosryhmiensä välistä vuorovaikutusta. Tarkastelu fokusoituu siihen, kuinka odotukset muovaavat toimitusjohtajien ulkoista johtamiskäyttäytymistä sosiaalisessa kontekstissa. Tutkimus edustaa case-lähestymistä. Case-johtajia on neljä: kaksi omistajajohtajaa ja kaksi ammattijohtajaa. Näiden neljän tapauksen kautta konstruoidaan käsitteellinen viitekehys, joka integroidaan Katzin ja Kahnin (1968) sosiaalipsykologisen rooliteorian avulla.

Tämä tutkimus tuo esille sen, miten merkittävällä tavalla ulkoisten sidosryhmien odotukset voivat muovata toimitusjohtajien johtamistyötä ja -käyttäytymistä. Odotuksien painoarvoa lisää yrityksen ja sidosryhmän välinen resurssiriippuvuus. Mikäli sidosryhmien odotukset poikkeavat huomattavasti toimitusjohtajan omista odotuksista, ne mielletään johtamiskäyttäytymisen rajoitteiksi tai sille asetetuiksi vaatimuksiksi. Näiltä kahlitsevilta kokemuksilta voi välttyä sisäistämällä muiden odotuksia. Toisaalta tutkimus korostaa myös itseodotuksia. Niiden merkitys ilmenee erityisesti odotusten valikoivassa havaitsemisessa, luomisessa ja täyttämisessä. Tässä todellisuutta rakentavassa prosessissa on johtajuudella huomattava vaikutus. Tutkimustulokset korostavat johtamistyön systeemisyyttä, ennen muuta odotusten luomisen kehämäistä luonnetta.

Toisessa artikkelissa tutkitaan omistajajohtajien johtamistyössään kokemaa vapautta sekä vapauden rajoitteita ja ennakkoehtoja. 'Vapaus' on omistajajohtajille ilmeisen merkityksellinen asia. Suuri yleisö mieltää usein, että omistajajohtajana toimiminen tuo mukanaan huomattavasti vapautta. Myös monien tutkimusten mukaan omistajajohtajat tavoittelevat vapautta - itsemääräämisoikeutta ja riippumattomuutta - omaa yritystä perustaessaan. Lisäksi vaikuttaa vahvasti siltä, että sisäisen motivaation ylläpitäminen vaatii tämän kokemuksen säilymistä. Samaisen aspektin merkitystä on viime vuosina korostettu kaikkien työntekijöiden kohdalla. Tämä ajatus on keskeinen mm. sisäisessä yrittäjyydessä.

Vapauden tutkiminen luo suuria haasteita, sillä vapaus on moninainen ja äärimmäisen subjektiivinen ilmiö. Siksi tutkimuksessa käytetään fenomenologista lähestymistapaa. Omistajajohtajan kokema todellisuus korostuu. Filosofinen näkökulma on tarkastelussa keskeinen. Vapaus määritellään koetuksi valinnanmahdollisuudeksi; tärkeää on koettu vapaus, ei toiminta sinänsä. Berlinin (1969) näkemys negatiivisesta ja positiivisesta vapaudesta auttaa jäsentämään omistajajohtajien kokemuksia ja se voidaan kytkeä Stewartin (1982) kehittämään johtamistyön analysointimalliin, jota hyödynnetään väitöstutkimuksen jokaisessa osassa.

Tutkimusaineisto on kerätty kahdessa vaiheessa, kahden eri menetelmän avulla. 24 omistajajohtajan vapaamuotoisten tarinoiden kautta syntynyttä ymmärrystä syvennettiin haastattelemalla neljää omistajajohtajaa. Artikkelissa kuvataan yhden omistajajohtajan kokemuksia yrittäjän vapaudesta, muiden osalta esitellään ainoastaan tiivistetyt tulkinnat. Tärkeimmät tutkimustulokset eksplikoidaan neljän proposition ja prosessimallin avulla. Vaikuttaa siltä, että vapauden kokemisen ehdot kulminoituvat liiketoiminnan kannattavuuteen. Vapauden riittävyyttä arvioidessaan omistajajohtajat käyttävät vertailukohtana henkilökohtaisen vastuunsa määrää. Tämä vertailu määrittää sen, kokeeko johtaja itsensä työssä isännäksi vai rengiksi. Vapauteen liittyy kuitenkin paradoksi: valintojensa kautta omistajajohtajat rajoittavat ennalta tulevia valinnan mahdollisuuksiaan. Yksi tutkimuksen johtopäätöksistä onkin, että yrittäjän vapaus on monesti pelkkä illuusio. Keskeiseksi yrittäjänvapauden tarkastelussa nousee omistajajohtajan kokema toiminta-alue, jota sidosryhmät eivät saisi rajoittaa eivätkä loukata.

Kolmas artikkeli on käsiteanalyyttinen. Tarkastelu fokusoituu domain-käsitteeseen. Latinasta peräisin oleva kantasana 'dominicum' viittaa siihen, mikä kuuluu isännälle. Tutkimuksen tavoitteena on luoda kontribuutiota konstruoimalla viitekehys, joka soveltuu omistajajohtajien johtamistyön tarkasteluun. Käsiteanalyysi hyödyntää monia välineitä. Tutkijan esiymmärryksellä, jota kaksi aiempaa empiiristä tutkimusta ovat muovanneet, on tärkeä merkitys. 'Domainin' sanakirjamäärittelyt ja käsitteen vakiintunut käyttö erilaisissa yhteyksissä nostavat esille mielenkiintoisia näkökulmia ja antavat oman leimansa tulkitsevalle analysoinnille. Tutkijan reflektiolla on keskeinen rooli.

Luotu viitekehys käsittää neljä toiminta-aluetta. Toiminta-alueet ovat dynaamisia ja niiden keskinäinen vuorovaikutus on kiinteää. Sekä omistajajohtajien itseodotukset että sidosryhmien heille kohdistamat odotukset muovaavat toiminta-alueita merkittävällä tavalla. Ontologisesti nämä alueet edustavat mentaalisia representaatioita. Silti niille voidaan löytää myös konkreettisia vastineita. Esimerkiksi johtajan henkilökohtainen toiminta-alue kuvastaa koettua vaikutusaluetta, joka voi ilmetä monin tavoin päivittäisen johtamistyön eri aktiviteeteissa, rooleissa ja suhteissa. Henkilökohtainen toiminta-alue ja yrityksen strateginen toiminta-alue ovat osittain päällekkäisiä. Niiden leikkausaluetta kutsutaan omistajuuden alueeksi. Tämä alue ympäröi neljännen toiminta-alueen, joka nimetään johtamistyön alueeksi. Käsiteanalyysissä nousee selkeästi esille toiminta-alueiden systeemisyys. Loppupäätelmissä korostetaan erityisesti omistajuuden alueen merkitystä. Lisäksi empiria tukee ajatusta, jonka mukaan omistajuuden alueen hallinta on ratkaisevaa isännyyden kokemiselle.

Väitöstutkimuksen neljäs artikkeli on synteesi, joka hahmottaa omistajajohtajien työn mentaalisen mallin. Tutkimus kokoaa yhteen aiemmissa artikkeleissa kootut ideat ja työstää käsitteellistä viitekehystä edelleen hyödyntämällä systeemiajattelun ideoita ja epistemologiaa. Päätavoitteena on tutkia sitä, kuinka omistajajohtajat kokevat omistajuuden ja kuinka he näkevät omistajuuden ja johtamistyön liittyvän toisiinsa. Tavoitteiden saavuttaminen edellyttää, että omistajuus analysoidaan ja sovitetaan omistajajohtajien tarkasteluun sopivaksi.

Omistajuutta lähestytään filosofisesta näkökulmasta. Omistajuuden mukanaan tuomat omistusoikeudet ovat keskeisiä. Yksi tutkimuksen tuloksista kiteytyy uuteen omistajuuden käsitteeseen. Omistajuuden alue ymmärretään mentaalisen omistajuuden ilmentymäksi. Tämä kognitiivinen alue sisältää omistajajohtajan omistajuuteen liittämät odotukset - ideat. Etenkin käsitykset omistajuuteen liittyvistä oikeuksista, velvollisuuksista ja vastuusta sekä niiden keskinäisestä tasapainosta vaikuttavat olennaisilta. Koettu epätasapaino voi käynnistää omistajajohtajan mielessä noidankehän, jonka vaikutukset voivat välittyä edelleen myös muihin toiminta-alueisiin.

Omistajuuden ja johtamistyön suhde on monimutkainen, sillä toiminta-alueiden ideat ovat jatkuvassa vuorovaikutuksessa keskenään. Tämä mielen systeeminen vuorovaikutus merkitsee mm. sitä, että yhden toiminta-alueen muutokset heijastuvat välittömästi, tavalla tai toisella, myös muihin. Omistajajohtajat tavoittelevat toiminta-alueiden hallintaa. Henkilökohtaisen identiteetin merkitys on tärkeä. Vaikka omistajajohtajien mentaaliset mallit ja käytännön johtamistyö edustavat eri loogisia tasoja, ne ovat kiinteästi sidoksissa toisiina. Tämän johtopäätöksen myötä voidaan nähdä ympyrän sulkeutuvan.