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## A communication methodology for subordinates-supervisors to coactively generate heuristic-leadership decisions in commercial banking

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A COMMUNICATION METHODOLOGY FOR SUBORDINATES-SUPERVISORS  
TO COACTIVELY GENERATE HEURISTIC-LEADERSHIP  
DECISIONS IN COMMERCIAL BANKING

A Thesis

Presented to the  
Department of Communication  
and the  
Faculty of the Graduate College  
University of Nebraska

In Partial Fulfillment  
of the Requirements for the Degree  
Master of Arts  
University of Nebraska at Omaha

by

Mary Ann Danielson

May 1989

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## THESIS ACCEPTANCE

Acceptance for the faculty of the Graduate College, University of Nebraska, in partial fulfillment of the requirements for the degree Master of Arts, University of Nebraska at Omaha.

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Date

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I would like to thank Dr. Elton Carter, a true educator, for his heuristic leadership in our coactive generation of decisions. I would also like to thank the other members of my committee: Dr. Robert Carlson for introducing me to and guiding me through the Graduate Program and Drs. Pamela Specht and Shereen Bingham for sharing their perspectives and insights. I would especially like to thank my family for their words of encouragement and constant support.

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## CHAPTER 1

### PURPOSE AND DESIGN

#### INTRODUCTION

This thesis neither advocates nor strictly adheres to the dominant, top-down style of leadership often used in commercial banking institutions. Rather, while working within the commercial bank setting, this thesis focuses on the subordinate-supervisor relationship and emphasizes a heuristic approach to leadership.

#### SUBORDINATE-SUPERVISOR RELATIONSHIP

This thesis is not directly concerned with how the supervisor can 'make' his/her subordinates more motivated, more efficient, or more effective. This thesis is not directly related to subordinates implementing changes on their own. Rather, the focus of this thesis is on the subordinate-supervisor relationship, with significant emphasis on the subordinate's participation. The specific focus is on the active participation of both individuals in generating heuristic-leadership decisions.

#### HEURISTIC APPROACH

This thesis uses the heuristic approach. It is not prescriptive in nature, as such it can not be applied under all conditions in all situations. The heuristic <sup>1</sup> approach focuses on knowing how to decide what to do in a given situation, rather than specifically what to do in a given situation. In other words, this thesis is not rules oriented. It is

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<sup>1</sup> Unless otherwise indicated, the term heuristic will be applied, throughout this thesis, in the "Modern Heuristic" sense of the word as developed by George Polya.

also not dramatistic, nor is it pragmatic. As there are several distinctive theoretical approaches and it is not feasible to make exhaustive comparisons, the rules-oriented approach will be examined, among other reasons, because it has been contrasted with scientific laws.

According to Shimanoff:

Rules are followable, prescriptive, contextual and they pertain to behavior. . . .Scientific laws differ from rules in that there is no choice whether one can or cannot follow them; they cannot be broken. Both scientific laws and rules relate to behavior, but the relationship between them and behavior is different. Laws *describe* noncontrollable phenomena, including human behavior, whereas rules relate only to human behavior, and only to human behavior that is *prescribed* and can be controlled. . . . Rules also differ from scientific laws in terms of changeability. Rules may be changed if actors consider them no longer appropriate, but laws are changed on the basis of empirical evidence. (1980, pp. 39-40).

Given the structure of the comparison Shimanoff developed, I will use this same structure to clarify what my thesis is by contrasting it with what my thesis is not. My thesis is not rules oriented.<sup>2</sup> The similarities and differences among Shimanoff's rules, a heuristic approach, and the Coordinated Management of Meaning (CMM) as developed by Pearce and Cronen (1980) are highlighted in Figure 1.

FIGURE 1: COMPARISON OF A RULES-ORIENTED AND HEURISTIC-ORIENTED APPROACH

	FOLLOWABLE	PRESCRIPTIVE	CONTEXTUAL	PERTAIN TO BEHAVIOR
RULES	X	X	X	X
HEURISTIC	X		partial	
CMM	X		X	

---

<sup>2</sup> While acknowledging there are more than two rules approaches, I have, for purposes of comparison only, limited my review to Shimanoff's (1980) rules approach (RULES) and Pearce and Cronen's (1980) rules approach known as the Coordinated Management of Meaning (CMM).

### Followable

A heuristic approach, like both rules approaches, is capable of being followed in the sense that "communication scholars associate rules with actions rather than motions, and actions are behaviors that one may choose to perform; hence a rule must be capable of being followed" (Shimanoff, 1980, p. 39; emphasis mine).

### Prescriptive

Whereas a heuristic approach is concerned with "procedures independent of their subject matter" (Oneill, 1964, p. 7), and CMM emphasizes "describing the structure of information processing rather than the content of particular beliefs" (Pearce and Cronen, 1980, p. 127), these two approaches differ from Shimanoff's prescriptive rules. Shimanoff's rules emphasize content (i.e. knowledge of the rules to include the knowledge that one may be held accountable if they break the rules). A heuristic approach, which is similar to CMM in this respect, is therefore more concerned with structure than content and is not prescriptive as described by Shimanoff.

### Contextual

A heuristic approach is only partially contextual. Rules are contextual in that rules apply in all similar situations, but may not be applicable under different conditions. A heuristic approach, perhaps because it is not prescriptive, will not advocate that a particular method or methods will apply in all similar situations. The heuristic approach, however, does encompass the notion of conditionality (whereas rules may not be applicable under different conditions).

### Pertaining to Behavior

A heuristic approach also differs from the rules approach in terms of the domains. The proper domain of heuristic is cognitions whereas "the proper domain of [Shimanoff's] rules is behavior. Behavior may be prescribed and evaluated. . . . It is not possible for others to monitor thoughts, except by observing behavior, and it would be impossible to enforce rules about cognitions. Therefore, it is vacuous to speak of rules prescribing cognitions" (Shimanoff, 1980, p. 50).

A featured distinction of CMM, from other rules approaches including Shimanoff's, is that the locus of rules is intrapersonal and the locus of behavior is interpersonal.<sup>3</sup> Thus, CMM differs "from two other uses [of rules] in the literature. . . . Some use rule as a label for a weak empirical generalization. . . . Another usage is as a synonym for social norms. . . . The difference among these may be seen in the existential locus of the rule. As an empirical generalization [Shimanoff], the referent of a rule is in the event-objects produced by various actors; as a social norm <sup>4</sup>, the referent is in a community; as a description of information processing [CMM], the referent is 'in the head' of persons" (Pearce & Cronen, 1980, p. 139).

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<sup>3</sup> Stated another way, "The use of the phrase 'the coordinated management of meaning' directs attention both to the characteristics of persons as processors of information and to interpersonal rule systems as the locus of action" (Pearce and Cronen, 1980, p. 169).

<sup>4</sup> One example of rules used as a social norm is Cushman and Cahn's social rules perspective, the proposition of which states "that human communication in establishing, maintaining, and terminating interpersonal relationships is guided and governed by socially established rules. . . . Communication in such situations requires that the parties involved share a common code and interactional system. This common code and interactional system is conditioned by the normative rules of society which govern and guide the socially appropriate content and procedures involved in such interactions" (1985, p. 1).

### Opportunity for Changes

One additional similarity, worth noting, is the flexibility built into each approach. As heuristic and CMM are more concerned with structure than content, these approaches may be changed or adapted to fit the particular case under investigation. Shimanoff's rules for changing rules, however, also allow for flexibility.

### SUMMARY

To summarize, this thesis is not focusing on supervisors or subordinates independent of one another. Also, this thesis is not prescriptive or rules oriented.<sup>5</sup> Rather, this thesis emphasizes heuristic decision making through the active participation of both members of the dyad.

### STATEMENT OF PURPOSE

The purpose of this thesis is to design a communication methodology for subordinates and their immediate supervisors to coactively generate heuristic-leadership decisions in commercial banking.

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<sup>5</sup> After consultation with a faculty member who teaches communication theory and is familiar with the various perspectives on communication, it was determined that, with the exception of the constructive alternativism theory which provides the general framework for the research design, the rules approaches are closer to the heuristic approach than any other perspective.



## METHODOLOGY

A methodology is a "philosophical study of plurality of methods. . . . It always has to do with the activity of acquiring knowledge, not with a specific investigation in particular. It is, therefore, a metamethod" (Watzlawick, 1974, p. 8). The need for a methodology, or options generator, seemed obvious given that the decision that best serves one's needs in any given situation may not be the decision that best serves one's needs in another situation.

## COACTIVE GENERATION

To coactively generate heuristic-leadership decisions, the participants must be engaged in both an intrapersonal and interpersonal process.<sup>6</sup> According to Bass, "Decision making becomes shaped as much by the pattern of interaction among managers as by the contemplation and cognitive processes of the managers" (1983, p. 27).<sup>7</sup> According to Gore, it is "through the heuristic process the private world of one individual is linked both to others and to the collectively constituted world which

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<sup>6</sup> Individuals intrapersonally create meaning and interpersonally manage meanings. Pearce and Cronen (1980) stated, "Communication is the process by which persons cocreate and comanage social reality (Social reality being what people believe and believe what other people believe.)" (p. 21). Stated another way, "The locus for meaning in communication is intrapersonal, but locus of action is interpersonal" (Pearce & Cronen, 1980, p. 148).

<sup>7</sup> There is nothing in Bass's book, Organizational Decision Making (1983), however, that would indicate this process of mutual simultaneous shaping must be limited to the managerial level only. Given that "decision making becomes shaped as much by the pattern of interaction among managers as by the contemplation and cognitive processes of the managers" (p. 27), it seems reasonable then that decision making would also become shaped as much by the pattern of interaction among supervisors and their subordinates as by the contemplation and cognitive processes of the supervisors and their subordinates.

supports and nourishes individual existence" (1964, p. 13).<sup>8</sup>

## HEURISTIC

The generation of heuristic-leadership decisions, consistent with the methodology approach, is concerned with "procedures which are independent of subject matter and have application to wide ranges and types of problems" (Oneill, 1964, p. 7). According to George Polya, founder of "Modern Heuristic," "The aim of heuristic is to study the methods and rules of discovery and invention" (1945, p. 102). More specifically, "modern heuristic endeavors to understand the process of solving problems, especially the mental operations typically useful in this process. . . . Experience in solving problems and experience in watching other people solving problems must be the basis on which heuristic is built" (p. 118).

## HEURISTIC-LEADERSHIP

The view of heuristic-leadership used in this thesis is congruent with Charles Manz's concept of self-leadership. Manz (1986) conceptualized self-leadership as "a comprehensive self-influence perspective that concerns leading oneself toward performance of naturally motivating tasks as well as managing oneself to do work that must be done but is not naturally motivating. It includes the self-management of immediate behaviors" (p. 589), but "goes beyond self-management to address redefining

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<sup>8</sup> Gore is not using heuristic in the "Modern Heuristic" sense. Rather, Gore states, "The very essence of the heuristic process is that the factors validating a decision are internal to the personality of the individual instead of external to it" (1964, p. 12).

one's tasks and one's relationship with and/or perception of tasks so that desired performance results from a natural motivational process" (p. 591). In discussing strategies for self-leadership practices, Manz states, "Perhaps the ultimate goal of self-leadership practice should be to enhance the effectiveness of employees in managing their own thought patterns. For example, in addition to systematically managing one's own behavior or altering the physical context or the process by which work is performed, one can manage his/her mental representation of the work. In a sense, the job is redesigned mentally rather than physically" (p. 594).

#### GENESIS OF THE STUDY

Business relationships involve decision making; yet many individuals cannot or will not make decisions on their own. From my graduate studies and experiences in teaching the Fundamentals of Public Speaking course, I learned that leaving decision making to others can be avoided.

When the students understand and follow the speech-preparation guidelines, they can construct their own speeches: speeches based on their knowledge, their perceptions of the audience and the anticipated event, their resources, and ultimately their values. I perceive my function as educator as one of providing information on and guidance through the process of preparing and presenting speeches. I call this heuristic-leadership.

## CRITICAL REVIEW OF PERTINENT RESEARCH LITERATURE

The literature review covered the last ten years, or as farback as the 1950's when warranted. No communication methodology for subordinates-supervisors to coactively generate heuristic-leadership decisions in commercial banking was found. In my attempt to discover whether such a methodology existed, I directed my search in the areas of communication, psychology, sociology, social psychology, and business.

Ever cognizant of the fact that the different disciplines may use different terms to represent similar concepts, I looked for titles including these (or similar) concepts: choice making, decision making, leadership, human resource management, participatory management, co-orientation, and communication--specifically, interpersonal or transactional communication and cognitive approaches to communication. The review of literature leads me to conclude that while my perspective on and approach to decision making is somewhat unconventional, it is not unprecedented.

The three pertinent areas of literature focused on communication methodologies, the need for self-actualization or becoming everything one is capable of becoming, and the implied satisfaction of this need under a heuristic form of leadership.

## COMMUNICATION METHODOLOGIES

Within the University of Nebraska at Omaha's Communication Department, there have been three previous communication methodology theses each of which included some kind of mechanism for generating options. For example, the option generator in Ferdig's (1985) thesis was the Rhetorical Schematic based on Karlyn Kohrs Campbell's with particular emphasis on the enthymematic argument. Ferdig's methodology provides a

systematic means by which company selected negotiation personnel can generate any combination of communication strategies to meet the needs of the particular negotiation situation. Whereas, in Apke's (1982) thesis, the author generated rules for dealing with demand time conflicts between physicians and their spouses. The option generator Apke used was derived from Susan Shimanoff's Communication Rules: Theory and Research.

The third of these theses was based on earlier work by MacNeal (1983, 1984) and, utilizing MacNeal's work, Naumann (1986) generated alternaquences for "proceptive" church-leadership. The purpose of Naumann's thesis was to introduce a communication methodology designed for pastors to enable them to proceptively lead church workers into and through the making and institution of change in and through the Lutheran Church. Naumann's methodology generated questions which suggested alternatives and their consequences. Thus, Naumann utilized Macneal's alternaquencing as a question or option generator much as I have done in this thesis.

#### SELF-ACTUALIZATION

The desire to improve ourselves, whether it be as decision makers, spouses, parents, or students, may be traced back to the drive or need that Maslow (1970) described in his hierarchy of needs; namely, one's need for self-actualization. Maslow describes our need for self-actualization as "the desire to become more and more what one is, to become everything one is capable of becoming."

According to Rensis Likert, within an organizational context one's need to "become everything one is capable of becoming" should be enhanced by one's managers and

work activities. According to Likert's principle of supportive relations, "managers and work activities should enhance individual members personal sense of worth and importance" (Stoner, 1982, p. 358).

## HEURISTIC-LEADERSHIP

Within the field of leadership studies, I was unable to find more than four studies with a heuristic-leadership orientation whose structure matched my structure of the nature of the problem. Although undoubtedly many studies contain aspects of heuristic approaches, several of which I scanned, none of them were strictly pertinent to this research. Pertinent were: Manz and Sims' (1984) concept of the unleader, Bennis' (1969) agricultural model of leadership, Hawken's (1987) atmosphere of hybrid vigor, and Japanese managements' approach to supervisor-subordinate relations, summarized in Hirokawa & Miyahara (1986), which incorporates the concepts of maximizing human resources and working from within the individual to change behavior.

### Studies

Manz and Sims view the leader of the future as "the person who, rather than providing subordinates with specific directions, can best help others to find their own way. Thus, we might characterize the 'unleader' as one who leads others to lead themselves" (1984, p. 411).

Along a similar vein, Bennis stated, "the leader's job is to build a climate where growth and development are culturally induced. . . . The most appropriate metaphor I have found to characterize adaptive leadership is an 'agricultural' model. . . which can

be summarized as follows: an active method for producing conditions where people and ideas and resources can be seeded, cultivated, and integrated to optimum effectiveness and growth" (1969, p. 51).

Paul Hawken, in his book Growing A Business, also utilized an agricultural metaphor to describe starting and running a business. "For your business to succeed, you must take exceedingly good care of your people" (1987, p. 209). After hiring a good employee, you (as a business owner) must work to keep him/her. "The best way to keep good people is to create an atmosphere of hybrid vigor throughout your business, from top to bottom. . . . Give them as many responsibilities as possible. Responsibility is participation, and this sense of participation in the 'big picture' of the business is the key factor that will keep your employees growing as people and as productive employees"(p. 221).

Bennis and Hawken both emphasize the concept of creating an environment where individuals work with one another in order to grow as people.<sup>9</sup> The concept of working with one another to maximize human resources is perhaps most often attributed to the underlying philosophy of Japanese management. "Recently, an increasing number of scholars and observers of Japanese organizations and their management (DeVos, 1975; McMillan, 1982; Pascale & Athos, 1981; Tanaka, 1979) have become aware of the possibility that the actual reason for the Japanese success can be traced to the ability of Japanese managers to maximize human resources in organizations" (Hirokawa & Miyahara, 1986, pp. 250-1). As one Japanese manager puts it, "Ideally we want our

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<sup>9</sup> Paul Hawken, explicitly, makes the point that you must work with people, you cannot manage them. You manage herds. You manage rangelands. You manage feed-lots. You don't ever manage people. You work with them.

workers to behave in ways that are good for the company not because they feel they have to do it, or will be punished if they don't do it, but because they identify with the company and its people and feel it's the 'right' thing to do" (Hirokawa & Miyahara, 1986, p. 259).

Hirokawa & Miyahara's finding--to the effect that Japanese managers' methods of influencing subordinates are predicated on the assumption that changes in behavior come from "within" the individual, as opposed to those American managers who appear to operate under the assumption that a subordinate can be "made" to change his/her behavior--is consistent with the claims of Fox, 1977; Kume', 1985; Miyahara, 1983; Ouchi, 1981; and Whitehill & Takezawa, 1968.

#### Multiplicity of Methods

As one Japanese manager succinctly puts it, "The secret to effectively influencing one's subordinates is to adjust one's approach to the individual in question" (Hirokawa & Miyahara, 1986, p.262). The Japanese managers, consistent with their assumptions that changes in behavior come from "within" the individual and individuals may not respond identically to a particular method, or one individual may not respond identically to a particular method given another situation or time, tend to utilize a wider range of influence strategies and display flexibility when dealing with employees.

#### SUMMARY

Given the lack of a communication methodology (options generator) for the coactive generation of heuristic leadership decisions, this thesis provides a research design for subordinates-supervisors to coactively generate heuristic-leadership



decisions in commercial banking.

This communication methodology is not explicitly limited to commercial banking. Rather the commercial banking institution was selected as the setting for the communication methodology, primarily as a result of my interest in and background with commercial banking institutions.<sup>10</sup>

## DESIGN

The primary means for generating heuristic-leadership decisions is Kelly's (1955) theory of constructive alternativism, modified by MacNeal's (1984) concept entitled alternatuences, and supplemented with pertinent aspects of Sander's (1987) Cognitive Foundations of Calculated Speech. When one makes decisions, one is, in essence, constructing alternatives. These alternatives, however, should not be considered in isolation. Rather, the consequences of each alternative need to be considered with that alternative. Thus, when one makes decisions, one is actually constructing alternatuences. The means by which alternatuences are constructed and shared may be explained through Kelly's theory of constructive alternativism and the logic of Sander's calculated speech.

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<sup>10</sup> See Conclusions and Recommendations for Further Research

## CONSTRUCTIVE ALTERNATIVISM

### Theory

George Kelly (1955) provides the general framework of the design through his theory of constructive alternativism. His basic postulate of which states: "A person's processes are psychologically channelized by the way in which he anticipates events." The "anticipation of events" reflects an intrapersonally created meaning and the "ways in which" meanings are intrapersonally created are called constructs.

Constructs are bi-polar in nature and individuals use them to group events. It is through the grouping of events, on the basis of similarities and differences, that persons give structure and meaning to the world. As Donald Johnson explains,

The environment is known through . . . cognitive structures and these structures control our reactions to the environment. The individual does not just respond to stimulus he perceives; rather, he reconstructs a pattern of representation of certain attributes of the environment and then adapts to the environment as he has constructed it. (1972, p. 19).

Stated another way, "Man looks at his world through transparent patterns or templates which he creates and then attempts to fit over the realities of which the world is composed" (Kelly, 1955, pp. 8-9). Kelly gives the name constructs to these patterns which are tentatively tried on for size. Individuals have constructs and systems of constructs, or interpretive schemas, which they employ to "channelize their activity"; in this case, decision making.

### Corollaries

Kelly developed eleven corollaries to help explain the intrapersonal and interpersonal construction of alternatives. The nine corollaries I focused on (rearranged for convenience) and how they apply to the decision making process are as follows:

1. Construction Corollary. "A person anticipates events by construing his or her replication." An individual might, as they approach a new decision, reconstruct previous decisions, either their own or others. When an inexperienced bank Teller is faced with the prospect of cashing a check, s/he will reconstruct previous check cashing decisions; decisions learned through watching others or based on personal experiences. Such decisions might include: Is this a current account? Are there sufficient funds in this account? Is this person authorized to receive these funds? Do I have sufficient identification to cash this check?

2. Individuality Corollary. "Persons differ from each other in their construction of events." Individual constructs are bound to be similar in that they are bi-polar in nature; but constructs differ in the number, pattern of organization, and content of the cognitive dimensions that individuals develop for construing their social world. As no two individuals are the same, when a Teller is replaced one cannot expect identical attitudes, abilities or cognitive information-processing characteristics. An inexperienced Teller, replacing an experienced Teller, may differ in his/her construction of events. The inexperienced Teller may require more account information, identification, etc.; whereas, the more experienced Teller may recognize the customer and cash the check on that basis alone.

3. Organization Corollary. "Each person characteristically evolves, for his or her convenience in anticipating events, a construction system embracing ordinal relationships between constructs." Individual's dichotomous (bi-polar) constructs are organized in construction systems which embrace ordinal relationships between constructs and are "likely to be hierarchally organized and interrelated in individual and idiosyncratic

ways" (Delia, 1976, p. 368). Two bank Tellers may use differing construct systems or different ordinal relationships between constructs as they decide whether or not to cash a check. Teller A may rely on interpersonal constructs and check cashing constructs. Teller A will cash the check because s/he knows the customer, perhaps has never had a problem with this customer or their account, or the customer is a 'valued' depositor whom you do not want to upset, and therefore subordinates, but does not eliminate, the other check cashing constructs. Teller B may rely on the same system of constructs but subsume interpersonal constructs to check cashing constructs. Teller B may still cash the check but only after determining the funds are in a current account and receiving proper identification.

4. Fragmentation Corollary. "A person may successively employ a variety of construction subsystems which are inferentially incompatible with each other." The Teller may want to please the customer in addition to performing his/her check cashing duties. If the superordinate construct of check cashing subsumes a customer-satisfaction construct and if the customer is not authorized to receive funds, the Teller will be unable to cash the check and may displease the customer. The Teller will have performed his/her duties under conflicting constructs.

5. Choice Corollary. "Persons choose for themselves that alternative in a dichotomized construct through which they anticipate the greater possibility for the extension and definition of their system." Whenever a person is confronted with the opportunity for making a choice, s/he will tend to make that choice in favor of the alternative which seems to provide the best basis for anticipating the ensuing events. An experienced Teller may rely on rigid check cashing rules because through this choice s/he may more

clearly define his/her check cashing constructs. If the anticipated dangers (e.g., forged checks, being fired for making a mistake, etc.), do not appear, the link between check cashing constructs may be weakened and modified. A Teller, on the basis of past experiences, may alter his/her anticipations of future events.

6. Range Corollary. "A construct is convenient for the anticipation of a finite range of events only." Some constructs, however, have more limited ranges than others. For example, when a Teller anticipates cashing a check or not cashing a check, the construct is applied only to check cashing. When a Teller anticipates the acceptability or unacceptability construct, it may be applied to the cashing of checks, to the evaluation of wardrobe, or of extra-long lunches. However, Tellers will erect boundaries of convenience beyond which elements are neither acceptable nor unacceptable.

7. Experience Corollary. "A person's construction system varies as he or she successfully construes the replication of events." "Through development[experiences], cognitive systems become more complex, more organized, and more abstract. Whenever development occurs, it proceeds from a state of relative globality and lack of differentiation, articulation, and hierarchic integration" (Delia & O'Keefe, 1982, p. 153). As the unexperienced Teller successfully construes or reconstrues the cashing of checks for different customers, his/her construction system will vary, possibly becoming more complex and abstract. Usually, a Teller will not cash a check that will overdraw a customer's account. If, however, a bank officer approves the overdraft, the transaction can be completed. If the bank officer's approval is limited to a dollar amount, the next time the customer comes in and wants to cash a check resulting in an overdraft, the Teller will still cash it, assuming the amount of the check is less than the approved

limit.

8. Commonality Corollary. "To the extent that one person employs a construction of experience which is similar to that employed by another, his or her processes are psychologically similar to those of the other person." Teller A and Teller C are trained to verify account numbers, account balances, authorized parties, etc. In cashing checks, Teller A may construe the check cashing event similarly to Teller C (e.g. they both check the account balance and require identification). To the extent Tellers A and C exhibit similar patterns of behavior, Teller A's processes are psychologically similar to Teller C.

9. Sociality Corollary. "To the extent that one person construes the construction processes of another, he or she may play a role in a social process involving the other person." If another Teller or the Teller's supervisor can form a meaningful replication of Teller A's (B's, C's, etc.) construct system, s/he can plausibly relate to the Teller or work with the Teller to cocreate heuristic-leadership decisions.

### Social Perspective Taking

Meanings begin at the intrapersonal level, manifest themselves in human acts, and eventually extend to the relationship and the human interact through social perspective-taking. Kelly (1955) argues that perceivers rely on sets of personal judgments (constructs) to erect understandings of social situations and thus predict and control events.

The constructive-alternativism framework implies that our understanding of others is always in terms of images or impressions. "The individual constructs an impression of the actions, qualities, or attitudes of the other through interpreting

aspects of the other's appearance and behavior within particular cognitive dimensions" (Delia, 1976, p. 367). In constructing other persons, perceivers use a characteristic set of constructs relevant to interpersonal judgments. Such systems of interpersonal constructs form the basis for communication choices, since constructs are the dimensions along which communication-relevant listener characteristics are judged. The individual then employs a "strategy" which is the organization of behavior toward some end or purpose and which rests on the individual's prediction[reconstruction of anticipated events].

### Summary

A communication methodology must have an options generator. In this communication methodology the options generator is Kelly's theory of constructive alternativism which will allow individuals to construct or reconstruct alternative options. According to Kelly's theory, given that human actions are channelized by interpretive schemas (construct systems) which outline the alternative courses of action (decisions), in order to alter human actions, one would have to alter the construct systems which outline the alternative courses of action. Alternaquencing is one way of changing one's construct systems.

### ALTERNAQUENCES

Although actions cannot in fact be separated from consequences, deciders talk about them as if they could be. According to Edward MacNeal, however, "There is no way of separating in fact a course of action from its consequences. The distinction is purely verbal" (1984, p. 291). "Korzybski considered elementalism -- splitting verbally

what cannot otherwise be split -- as a grave structural flaw in language. . . . Consider, then, the verbal separation of courses of action from their consequences. So great is this separation that no English term satisfactorily bridges it" (MacNeal, 1983, pp.163-164).

### Definition

In the autumn of 1950, MacNeal and Ed Kessler attempted to overcome the elementalistic view of actions apart from consequences. They coined a new term: alterna-  
quence (alternative-with-its-consequence). According to MacNeal, "Without alterna-  
tives, choice vanishes. With alternatives come consequences. Hence, alternaquences  
properly portray the structure of choice" (1984, p. 293). MacNeal, therefore, refers  
to alternaquences as things that can be changed. "The term encompasses whatever I have  
the power to do and all the repercussions thereof" (1984, p. 291). The things that  
cannot be changed are dubbed situations. Situations and alternaquences correspond to  
separations that can in fact be made. ( Situations and alternaquences are non-ele-  
mentalisms which separate verbally what can be separated in fact.)

### Demalogic

The superstructure for constructing the alternaquences "depend on the processes  
by which decisions may be related to each other and transformed. These processes and  
decisions depend, in turn, on the patterns we follow in relating our reasons to our  
actions" (MacNeal, 1984, p. 292). Demalogic, a neologism MacNeal coined for DEci-  
sion-MAking logic, is defined by MacNeal as "any of various modes of reasoning that may  
be used in making decisions. . . . Demalogics is the theory that "twenty or so disparate  
and often unnoticed decision-making modes act as decisional frameworks governing the



interpretation and relevance of events . . . with pervasive effects on human behavior" (1987, p. 235; emphasis mine). Knowing when to use or not to use demalogics is known as comparative demalogics. Comparative demalogics rejects the notion of a universal or "best" demaprocedure and also treats each decision-making approach as a different kind of map useful in some situations and not in others. <sup>11</sup>

### Summary

When an individual makes decisions, s/he is constructing alternatives in which his/her anticipation of the event is shaped by demalogical templates.

How one actually links the anticipated consequences of the alternatives to the proposed alternatives has not been addressed by MacNeal at the time of this writing. Robert Sanders, however, in his book Cognitive Foundations of Calculated Speech, provides a "systematic basis for arraying alternatives and linking them to consequences (outcomes)" (1987, p. 36).

### LINKING ALTERNATIVES TO CONSEQUENCES

The "systematic basis for arraying alternatives and linking them to consequences" is found in the cognitive underpinnings of Sander's strategic communication. Communication, according to this theory, is strategic insofar as messages are

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<sup>11</sup> The predominant demalogic in this thesis is the originaive pattern of decision making which requires the linking of consequences to the proposed alternative courses of action. The originaive pattern will be more fully described in Chapter 2 immediately prior to its application. The other four basic patterns of decision making include the absolute, action-comparative, responsive, and goal-directed, none of which require alternaquencing.

intentionally designed to maximize the likelihood of desired consequences or minimize the likelihood of undesired ones.

### Theoretical Review

In a review of Cognitive Foundations of Calculated Speech, Roger Craig (1988) summarized the theory as follows:

The key theoretical move is to found a theory of strategic communication on a theory of interpretation, roughly as follows: A message can usually be interpreted in various ways. Specifically how an utterance or act is interpreted is greatly influenced by its relation to other elements of the ongoing text or dialogue in which it occurs. Because subsequent acts or utterances can cause previous ones to be reinterpreted, the coherence of an ongoing discourse is emergent and fluid. . . . The theory shows that, for a message having certain qualities, entered at a certain juncture in a discourse, some interpretations and some subsequent messages will be better warranted than others. Warranted -- not necessitated, or caused. . . . The principles of specific interpretation that can warrant a decision state, in general, that a specific interpretation of an utterance is warranted insofar as it maximizes the contribution of the utterance to the coherence and progress of the unfolding discourse.<sup>12</sup> In other words, a message can be designed to be interpreted as part of an ongoing sequence in such a way that, in the resulting context, some messages will subsequently be easier to convey than others. A theory of strategic communication can thus go far to explain both why messages are designed the way they are and why they have the effects they do. (pp. 367-368).

### Managerial Application

The principles formulated by Sanders apply directly to the practice of communication in various professions including management. The goal of managers, from Sander's perspective, is to constrain the speech and behavior of subordinates so it is probable they will achieve the coordination and cooperation needed to perform tasks.

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<sup>12</sup> If the participants in social interactions are committed to mutually reaching a conclusion (decision), it is necessary for the sequence to cohere and progress.

This goal requires that managers "make explicit the antecedents of defined tasks, of their creation and assignment, and also the grounds of coherence among them so as to foster desired understandings. It further requires the managers to make explicit the relevance of prototypical speech and behavior to the task and its antecedents" (Sanders, 1987, p. 250). Such communication practices provide workers "an independent basis for judging the consequences for coordination and cooperation for contemplated speech or behavior, and the consequences for fulfilling task requirements" (Sanders, 1987, p. 250).

### Strategic Communication

The three pertinent aspects of strategic communication featured in this design are: (1) the capacity to forecast, (2) grounds of coherence, and (3) incremental change.

#### Forecasting

Strategic communication is contingent on, and explained by, the capacity to estimate (forecast) the utility of contemplated utterances and behaviors in bringing about some consequence (coordination and cooperation). The cognitive basis for this capacity can be represented as a set of principles for modeling the connection between alternative contemplated entries at a given decision point (juncture) and the possibilities and plausibilities of entries subsequent to that point (consequence). The connection between contemplated entries and their consequences (alternatives) can be modeled in terms of the principles of specific interpretation.

At a given juncture in a discourse or dialogue, an individual will formulate entries predicated on his/her forecast of the projected interpretive consequences. The projected interpretive consequences, in turn, are contingent on (1) content and style and

(2) what preceeds it and what follows it in the unfolding discourse or dialogue. Thus, the projected interpretive consequences of an entry can change as the sequence progresses and different possible consequences of formulating an entry in a particular way are more or less plausible. Stated another way:

If an entry has certain features, and its antecedents or consequents have certain features, and those features are related in a particular way, then there is a *warrant* -- whose strength may vary with the proximity and the number of those antecedents or consequents -- for *judging* :

- (1) that an entry has certain meanings;
- (2) what specific interpretation of an entry to focus on;
- (3) that certain subsequent entries are possible, with a relative probability (Sanders, 1987, p. 39).

As the specific interpretation that an individual creates is also contingent on (1) content and style and (2) what preceeds it and what follows it in the unfolding discourse or dialogue, the specific interpretation may also be characterized as fluid (subject to revision over time) and coherent.

#### Ground of Coherence

A specific interpretation is coherent when it has commonalities with both antecedents and consequents thus contributing to the progress of the unfolding discourse of dialogue. Given that entries cohere with their antecedents on a specific interpretation, then for each entry in a sequence, there is an array of possible entries that can follow coherently. This results in a branching network of possible sequences that can follow the contemplated entry at a given juncture. With reference to principles of specific interpretation and forecasting principles, as the number of prior entries known to contributors increases, the basis for formulating entries that add to the ground of

coherence also increases. Stated another way, individuals as they engage in discourse will gain experiences which can influence their subsequent entries by making some alternative entries, at a given juncture, seem more plausible(credible) than others in reaching a desired outcome. To the extent that the individuals are committed to mutually reaching a heruistic-leadership decision, they will choose entries that cohere and contribute to the progress of the unfolding dialogue.

### Incremental Change

"The contributors to a dialogue are operationally independent choice-makers each of whom alternately changes the environment in which the other(s) subsequently make choices in seeking a preferred outcome" (Sanders, 1987, p. 184).<sup>13</sup> Outcomes in dialogues, therefore, depend not on the combined effect of simultaneous choices, but on sequences of choices, as in multi-stage decision problems.

Formulating entries in dialogues thus "closely approximates what is presumed in studies of complex-decision problems, where the environment is dynamic rather than static, and the full set of alternatives and contingencies cannot be known at a decision point (juncture)" (Sanders, 1987, p. 184). This motivates incremental decision strategies which Radford (1977) describes as follows:

. . . the decision maker rejects the possibility of constructing a comprehensive decision model of the decision situation and concentrates on courses of action that are designed to bring about only an incremental change in the present circumstances. He selects a course of action he considers will lead to improvements in the present situation, implements it cautiously, and reevaluates his decision

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<sup>13</sup> The decision-theoretic account explains the capacity of communicators to be adaptive, and even innovative if necessary, in formulating entries so as to improve the chances of bringing about some consequence.

as soon as information about the effects of his actions is available. The reevaluation includes a process by which both the means to achieve objectives and the objectives themselves can be altered if this is judged to be desirable in the light of the new information that has become available (p. 12).

## SUMMARY

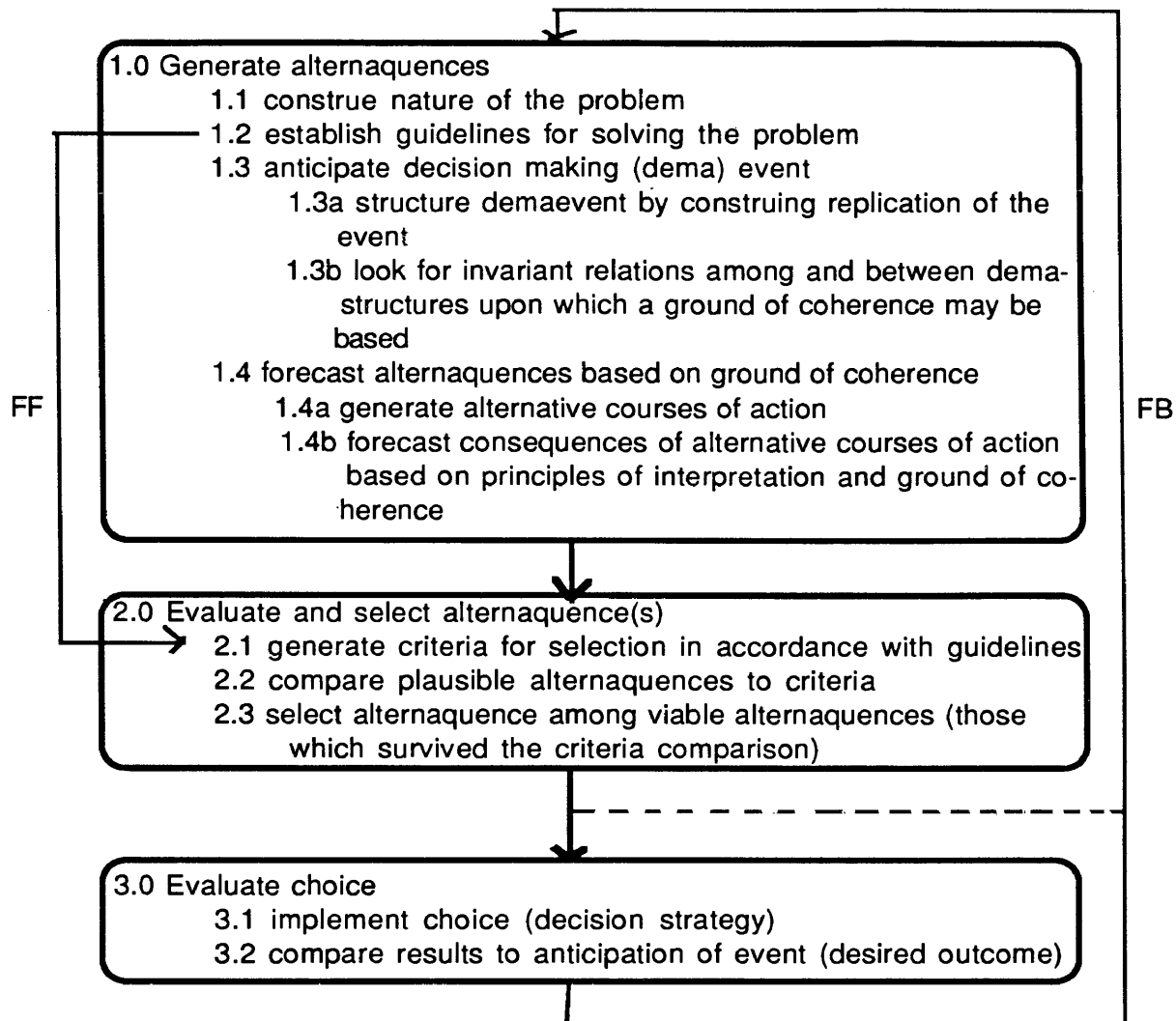
An individual utilizing a heuristic-leadership approach to his/her decision making would construct alternaquences and implement incremental decision strategies based on his/ her anticipation of events, which, in turn, is based on his/her forecasting given the ground of coherence of the discourse or dialogue.

## DESIGN STRUCTURE FOR A COMMUNICATION METHODOLOGY FOR SUBORDINATES-SUPERVISORS

The communication methodology represented in Figure 2 (see next page) consists of three general stages: (1) generate alternaquences, (2) evaluate and select alternaquences, and (3) evaluate choice. Each stage contains several sequential elements. The three stages must be followed in the sequence indicated, but the entire sequence of stages may be repeated.

Feedback and feedforward mechanisms are also represented in Figure 2. These mechanisms are the means by which incremental changes can be accounted for. Without the feedback loop (after 3.2 to before 1.0), there would be no provision for past experiences to shape the future anticipations by adding to the ground of coherence used in anticipating the demaevent and forecasting the alternaquences.

Figure 2

Design Structure for a Communication Methodology for Subordinates-Supervisors\*\*LegendSources for Design (corresponding by symbolization to the Table of Contents)

- 1.1 Chapter 1, subsection E, sub-subsection #1 (hereafter known as I, E#1).
- 1.2 I, E#1
- 1.3 I, E#1,2 & 3c2
- 1.4 I, E#2 & 3c1 & 2
- 2.0 I, E#1
- 3.1 I, E#3c3
- 3.2 I, E#1

If, after generating and then evaluating alternaquences, no viable alternaquence remains from which one could select a decision strategy, one would then feed that information (after 2.3 to before 1.0) back into the beginning of Stage One and thereby add to that individual's ground of coherence as s/he generated a new set of alternaquences.

The feedforward loop (1.2 to 2.1) provides the means for selecting criteria based on the nature of the particular problem. An example from commercial banking: Assuming that the nature of the problem a Teller is facing is the cashing of a government check for a senior citizen, the Teller may draw on certain guidelines for the processing of the transaction. Two such guidelines may include the processing of the transaction as efficiently as possible while protecting the bank from losses and keeping the customer satisfied. In order to minimize potential biases in the selection of the alternaquence (Stage Two), these guidelines would have been established before generating any alternaquences (Stage One). These guidelines are then fed forward (FF) to provide the basis for generating the criteria for the selection of alternaquence. The Teller's criteria for selection of a single alternaquence might be the one which maximizes customer satisfaction while protecting the bank from losses due to improper check cashing procedures. Therefore, the guidelines associated with the solving of the problem become the basis for the generation of criteria for the selection of the alternaquence.



### ILLUSTRATION OF METHODOLOGY

Two diverse scenarios, which will be presented fully in Chapter Two, exemplify the methodology through a stage-by-stage presentation. Both scenarios will involve subordinate-supervisor dyads engaged in a decision making process within a commercial banking context. The first scenario will involve a loan officer trainee and an experienced loan officer engaged in training for processing loan applications. The second scenario will involve a service representative and her immediate supervisor engaged in a performance-evaluation discussion. The stage-by-stage presentation of the methodology is accomplished in conjunction with the two scenarios.

## CHAPTER 2

### EXEMPLIFICATION OF THE METHODOLOGY

#### INTRODUCTION

The two exemplifying scenarios were constructed primarily from on-the-job experiences in a commercial bank. Review of pertinent descriptions of decision making in the research literature influenced construction of the scenarios. The scenarios are not intended to be typical, rather the scenarios are designed to be prototypical enough to illustrate the methodology in a realistic manner.<sup>14</sup>

The claim of realism covers the "conventional" approach featured in the left-hand column. The "conventional" dialogues were composed prior to applying the methodology in order to minimize potential biases. The scenarios are realistic as viewed from my work experiences and the description of decision making situations in the research literature. The right-hand column features plausible dialogues illustrating the coactive generation of heuristic-leadership decisions.

The organization for the scenarios was the three stages of the methodology: (1) generate alternatives, (2) evaluate and select alternative(s), and (3) evaluate choice. Some of the steps in the three stages of the "conventional" approach may have little or no script because the "conventional" dialogues do not explicitly follow the stages of the communication methodology.

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<sup>14</sup> See Conclusions and Recommendation for Further Research.

## SCENARIO #1

### Background

After completing approximately six months of training in general bank management procedures and nine months training in the credit review department, the loan officer trainee has been promoted to credit representative (but will be referred to as trainee in the following dialogue) and is now working one-on-one with an experienced loan officer (who will be referred to as officer in the following dialogue). The trainee has observed loan interviews, assisted in credit investigations, accompanied the loan officer on follow-up interviews, and attended final loan negotiations and loan committee presentations. When the officer decides that the trainee is ready to begin processing simple loans, the officer assigns one of her clients to the trainee and approves a credit limit of \$5,000 per loan and a loan portfolio limit of \$50,000. To more fully prepare the trainee, the officer has requested a walk-through of the processing of a consumer loan. The following dialogue is the final training exercise before the trainee meets with the customer.

### Scenario

#### 1.0 GENERATE ALTERNAQUENCES

In order for individuals to generate alternaquences, they must first construe the nature of the problem; second, establish guidelines for solving the problem; third, anticipate the decision making (dema) event, and finally, forecast alternaquences based on a ground of coherence. Each of these four steps in stage one will be more fully developed and exemplified through the following dialogue between a trainee and an officer.

### 1.1 Construe the nature of the problem

The first step in generating alternatives is to construe the nature of the problem. By describing the problem as the individual perceives it, the individual will then identify relevant constructs which may provide guidance in solving the problem by clarifying the particular situation and alternative courses of action with their accompanying consequences.

"CONVENTIONAL"

HEURISTIC-LEADERSHIP

Officer: Describe the situation you as a credit representative face when an individual calls you and asks to meet with you for the purpose of obtaining a loan.

Trainee: I'm involved in a bank transaction, with either an established customer or a potential customer, which may benefit the bank through the addition of (1) a new customer, (2) account(s), or (3) profits, or may hurt the bank if a sound borrower is refused a loan or if an unsound borrower is granted a loan.

### 1.2 Establish guidelines for solving the problem

The description of the nature of this particular problem helps the individual identify guidelines important to the solution of the problem as well as the structuring of the event.

Officer: Given the situation as you describe it, what guidelines will you rely on in making the loan determination?

**"CONVENTIONAL"****HEURISTIC-LEADERSHIP**

Trainee: I would rely on industry and bank guidelines involving the following:

- attracting new customers
- retaining current customers
- expanding bank services to current customers
- sound credit/loan practices
- credit review standards
- loan interviewing techniques
- loan negotiation approaches and techniques
- loan structuring
- basis for conditional loans such as secured or co-signed loans
- formatting of loan committee presentation
- loan documentation.

### 1.3 Anticipate the decision making (dema) event

Now that the trainee understands the problem and has identified guidelines appropriate to a loan determination and processing, the trainee is ready to focus on a specific loan application. The trainee will anticipate the loan application process by construing (in this case orally) the loan process as learned in classes or on-the-job experiences, including working one-on-one with the experienced loan officer (Section 1.3a below). The trainee will then, given some specifics of the loan applicant(s), look for invariant relations between the structure of past experiences and this experience --a ground of coherence-- (Section 1.3b below) upon which to base his forecasts of alternaquences.

## 1.3a Structure demaevent by construing replication of the event

## "CONVENTIONAL"

Officer: An individual calls you and says he would like to meet with you to discuss obtaining a loan. How do you respond or proceed?

Trainee: I schedule an appointment with the individual, ascertain over the phone, if possible, the nature of the loan, gather the proper application papers, and prepare some interview questions.

## HEURISTIC-LEADERSHIP

Officer: Very good coverage of the guidelines. Now, please explain or describe the loan procedure as you understand it.

Trainee: Given my training, I have found that the loan procedure usually begins with an interview with the applicants. The loan officer usually gathers the necessary papers and prepares questions to help determine the purpose and amount of loan as well as some initial fact gathering questions concerning the applicant's character, capacity to repay the loan, capital, collateral or conditions. After the initial interview, the loan officer begins the credit investigation. If additional information is needed, the officer will conduct a follow-up interview. If the loan is approved, both parties will again meet to negotiate terms and any conditions of the loan. Assuming both parties reach an agreement and the officer has the authority to approve the loan, s/he does so. If an agreement is reached but proper authorization is lacking, the officer sends the application to the loan committee with his/her approval. The officer then presents the loan to the committee. If the committee approves the loan, the

## "CONVENTIONAL"

Officer: What type of interview questions might you prepare?

Trainee: Through the interview and the loan application, I need to gather enough information so as to ascertain the character of the applicant, his/her capacity to repay the loan, and where applicable, any capital or collateral which may be pledged against the loan and if this is a commercial loan, the conditions of the industry. In order to do this, I might ask: individual's name?, amount of the loan?, purpose of the loan?, projected time frame for repayment?, assets?, finances?, creditors?, relationship with this bank?, etc..

## HEURISTIC-LEADERSHIP

(Trainee: cont.)

officer begins the documentation process, meets with the applicant, closes the deal and hands over the check. If the loan committee does not approve the loan as recommended, they may alter the terms, which the officer would have to renegotiate with the applicant, or the loan committee may deny the application. If denied, the officer would have to inform the applicant the loan was denied and offer some explanation.

Officer: Is this the entire loan procedure?

Trainee: Well, if the loan was approved, the officer would have to monitor the loan and its status and try to detect any potential for problems in the loan.

Officer: What type of questions might you prepare to ask during the interview?

Trainee: The specific questions asked would depend on the specific characteristics of the loan, but the questions would still need to center around the information required to complete the loan application; specifically, the five C's of credit.

**"CONVENTIONAL"****HEURISTIC-LEADERSHIP**

(Trainee: cont.)

Many of the exact questions would depend on the type and amount of the loan and the applicant.

Officer: Would you always hold an interview?

Trainee: Yes. While past experiences with loan applications or applicants may shorten the interview or limit the amount or type of information requested, an interview is always conducted.

Officer: Assume the individual and his wife, we'll call them Mr. & Mrs. Smith, approach you for a \$3,500 loan to purchase a home computer. They are sitting in your office waiting for your response. How do you proceed?

Officer: What types of items would you look for in the credit investigation?

Trainee: I talk with them and try to get some reading on their character; specifically, how well thought out is this purchase/loan and how willing are they to repay the loan? I obtain some of this information by asking for the information necessary to complete the loan application. The basic loan form covers such areas as: amount and type of loan, names, social security numbers, address, home owned or rented, amount of monthly mortgage or rent payment, mortgage holder or landlord, employer(s), position, time held current position, salary, other sources of income, creditors, credit balances and monthly payments, banking account(s), and if this is a joint application, I'd want similar information from the co-applicant.

Trainee: Generally, there is no one item alone that determines if credit is granted. Therefore, I would evaluate a combination of factors which would imply a good character, a capacity for repaying the loan, capital or collateral to secure the loan, and in the case of commercial loans, favorable economic conditions.



**"CONVENTIONAL"****HEURISTIC-LEADERSHIP**

Officer: Can you give me  
some specifics?

Trainee: Owning one's home, holding  
a steady job and paying  
current creditors on a timely  
basis are just three examples  
of specific items I would  
evaluate. These and other  
factors would help me deter-  
mine not only if the loan  
should be approved, but if  
approved, how the loan could  
be structured.

Officer: Would you always analyze  
the applicant's credit state-  
ments?

Trainee: Yes, some credit checks  
may be more extensive than  
others, depending on how well  
the officer knows the appli-  
cant and the date of the last  
financial statement received,  
etc., but I would always per-  
form a credit analysis.  
Auditors tend to look for  
support for a loan decision  
and the credit evaluation is a  
good source of documentation.

Officer: Would you always negotiate  
the deal with the applicant?

Trainee: Again, the extent and nature  
of the negotiation may vary  
but it is very important that  
all parties to the contract  
clearly understand the terms,  
obligations and responsi-  
bilities the contract places  
upon them. The few moments  
the negotiation takes may

## "CONVENTIONAL"

## HEURISTIC-LEADERSHIP

(Trainee: cont.)

later save that officer hours monitoring a loan going bad because the applicant didn't understand an aspect of the contract.

1.3b Look for invariant relations among and between demastructures upon which a ground of coherence may be based.

Officer: Assume Mr. & Mrs. Smith will be jointly applying for a \$3,500 loan to purchase a home computer. They rent their home at 12345 A Street. The monthly rent payment is \$350. They are both employed; Mr. Smith is an engineer and Mrs. Smith is a substitute teacher. They have lived at their present address and held their current positions for the last four years. Their joint annual salary is \$48,000. A list of their creditors include:

Officer: Very good. Since you seem to understand the procedure so well, let me give you a specific case. [See case outline detailed in left-hand column.]

CREDITOR	AMOUNT	MONTHLY AMT.
BANK #1	\$ 964.70	\$192.94
FURNITURE		
MART	\$ 156.50	\$ 78.25
STULOANS	\$1500.00	\$150.00
JCDEPT.		
STORE	\$487.24	\$ 20.00
VISA	\$287.60	\$ 15.00

The Smith's checking account is with this bank. They have two Certificate of Deposits valued at \$500 each and have been customers with us for one year. How do you proceed?

Now how would you proceed?

Trainee: I would finish recording the credit information and close the interview. After they left, I would examine and evaluate the financial information. The evaluation would focus on the Smiths' character, credit, capacity

Trainee: Given that this is a loan I would follow the general loan procedure we just discussed. However, because it is a consumer loan, there would be some

## "CONVENTIONAL"

(Trainee: cont.)

to pay, and sources of collateral. If the loan application was deemed acceptable, by bank standards, I would structure the loan, arrange for a meeting to negotiate the amount, term and conditions, if any, of the loan. Assuming all was satisfactory with the Smiths, as the loan amount is under my approved limit, I'd approve the loan.

Officer: And if the amount had been over \$5,000?

Trainee: If I approved of the loan but it was over my credit limit, I would have forwarded my recommendation to the loan committee and awaited their response.

## HEURISTIC-LEADERSHIP

(Trainee: cont.)

specific differences in the questions asked, items required for the credit analysis, etc.

Officer: Tell me specifically how you would proceed?

Trainee: I would proceed by gathering the necessary papers for a consumer loan and begin formulating questions relevant to this purchase?

Officer: Give me some examples of the questions you might ask?

Trainee: I'd probably begin by greeting them and asking them their names, how I might help them, and what they intended to use the purchase for, to name but a few.

Officer: What credit information would you require?

Trainee: In cases such as this, a general credit application is used and it requires information concerning the amount and reason for the loan, applicants' names, address, mortgage holder or landlord,

## "CONVENTIONAL"

## HEURISTIC-LEADERSHIP

(Trainee: cont.)

amount of monthly mortgage or rent payment, employer(s), annual income, creditors, credit history, and capital or other assets. If the purchase is for a business, this would be a commercial loan and may require financial statements and reports from the business as well as the individuals.

Officer: Assume you have recorded all relevant information. Without making a loan determination, identify and evaluate all the factors you believe are relevant to your decision.

Trainee: Given my background in credit analysis and the bank's standards, I would focus on the following:

- employment record
- income
- current bank standing
- credit rating or standard
- credit as % of monthly income
- renting vs. owning
- major assets.

Overall, the Smith's employment record, income, Certificates of Deposits, and overall, credit standing are positive factors. However, their limited relationship with this bank, the fact that they rent, and their lack of major assets are viewed as possible negative factors.

**"CONVENTIONAL"****HEURISTIC-LEADERSHIP**

Officer: Given these factors, if you were to approve the loan, how might you structure it?

Trainee: It is customary to use an installment loan when individuals are purchasing a personal item.

Officer: OK. Complete the transaction.

Trainee: It is also customary to meet to negotiate, and in some cases explain or clarify, the terms and conditions of the loan. If all is agreeable, given my credit limit and assuming this will not put me over my portfolio limit, I'd draw up the documents, gather all necessary signatures, hand over the check and thank them for their business. Every month after that, I'd monitor the loan through my portfolio reports.

#### 1.4 Forecast alternaquences based on ground of coherence

The invariant relations among and between different loan situations provided some ground of coherence which in turn provided a plausible direction for the processing of the loan. This ground of coherence will also provide the basis for the forecasting of alternaquences.

To forecast alternaquences, one needs to first generate the alternative courses of action (Section 1.4a below) and then forecast and link, via the principles of interpretation and ground of coherence, the consequences of those alternative courses of action

(Section 1.4b below). The generating of alternative courses of action is dependent on the demalogic of the individual making the forecast.

SUMMARY OF MACNEAL'S BASIC DEMALOGICS \*

PATTERN	FORMULA
Absolute	If you like x, do x.
Action-Comparative	If you prefer x to y, do x.
Responsive	If x occurs, do y.
Goal-Directed	To get x, do y.
Originative	If you prefer alternaquence x to alternaquence y, do x.

\* As taken from Summer, 1988 edition of Et cetera., p. 124.

The originative pattern differs from the other four patterns and it is this difference that requires utilizing the originative pattern of demalogics to exemplify the construction of alternaquences. The originative pattern extends the comparison made in the action-comparative pattern. Rather than comparing actions, the originative pattern compares alternative-courses-of-action-with-its-consequences, or more simply, alternaquences. The originative pattern is the only demalogic which requires comparing alternaquences and therefore, becomes the primary demalogic exemplified in the two scenarios.

1.4a Generate alternative courses of action

"CONVENTIONAL"

HEURISTIC-LEADERSHIP

Officer: Given your analysis, what alternative courses of action do you have?

**"CONVENTIONAL"****HEURISTIC-LEADERSHIP**

Trainee: I can (1) unconditionally approve an installment loan after the usual thorough credit check, or (2) approve the installment loan conditional upon the computer securing the loan, or (3) approve the installment loan conditional upon the Certificates securing the loan, or (4) approve the loan conditional upon a qualified co-signer, or (5) approve an installment loan for a smaller amount than originally requested, or (6) deny the loan request.

**1.4b Forecast consequences of alternative courses of action based on principles of interpretation and ground of coherence**

Officer: What might be the consequences of such actions?

Trainee: Well, let's look at the six alternatives one at a time. If I selected unconditionally approved the loan(1), the loan could be paid off on time and both the Smiths and the bank would benefit, or the loan could be paid off but only after repeated calls, or it could be a bad loan and the bank would have to write off the loss. Now, if I approved the loan with the computer as security(2), the loan could be paid off on time and all parties involved would benefit, or the loan could be paid off but only after re-

## "CONVENTIONAL"

## HEURISTIC-LEADERSHIP

(Trainee: cont.)

peated calls, or if the loan appeared to go into default, the computer could be sold to recapture some or all of the debt, or the Smiths could decide that a secured loan is unacceptable and apply for credit elsewhere. If I approved the loan with the Certificates as security for the loan(3), the loan could again be repaid on time benefiting all parties involved, or the loan could be paid off but only after repeated late payments and calls, or if the loan was going into default, the Certificates of Deposits could be cashed in but that still may not satisfy all the debt, or again, the Smiths could decide that using their Certificates as collateral is an unacceptable condition and look elsewhere for the loan. If I approved the loan conditional upon a co-signer(4), the loan could again be paid off on time, or after repeated calls and late payments, or we could try to collect from the co-signer if the Smiths default on the loan, or the bank may still have to write off the loan if the co-signer is unable to pay, or the Smiths may find a co-signer an unacceptable condition and look elsewhere for the credit they seek. If I approved the loan for a smaller amount (5), the Smiths could accept or reject offer, accept the



## "CONVENTIONAL"

## HEURISTIC-LEADERSHIP

(Trainee: cont.)

offer and pay the loan off on time or late after repeated calls for late payments, or if the Smiths default, the bank would suffer the loss. If I denied the loan(6), I might upset the Smiths, lose them as customers, or potentially save the bank from a bad loan.

## Summary

In the "conventional" dialogues, the trainee, by following a rules-oriented ("conventional") approach, has outlined general bank procedures, rules, and standards concerning the processing of a particular loan.

In the heuristic-leadership dialogues, the trainee has just generated six alternaquences. The alternaquences were generated by construing the nature of the problem, establishing guidelines for solving the problem, anticipating the demaevent and finally, forecasting alternaquences based on a ground of coherence. Each of the plausible courses of action has been identified along with the consequences for each action. The trainee, however, has yet to evaluate and then select the alternaquence(s). These are the purposes of Stage Two of the communication methodology.

## 2.0 EVALUATE AND SELECT ALTERNAQUENCES

The evaluation and final selection of any alternaquence requires that the individual first generate the criteria by which the alternaquence(s) will be evaluated. (See Feed Forward mechanism in Figure 2, p. 28).

After the criteria were generated, each of the six alternaquences were evaluated

through a comparison with the newly established criteria (2.2). Those alternaquences meeting the criteria were considered viable alternaquences and the individual was then able to select any one or any combination of the viable alternaquences (2.3).

## 2.1 Generate criteria for selection of alternaquence(s) in accordance with guidelines

"CONVENTIONAL"

HEURISTIC-LEADERSHIP

Officer: You now have six possible choices. What criteria will you use to determine your course of action?

Trainee: My criteria will be based on guidelines for retaining current customers, expanding bank services to current customers, and sound credit loaning practices. More specifically, my criteria for evaluation and eventual selection will include: Satisfying our current customers and their needs by providing the needed funds while concurrently protecting our bank from an unnecessary bad debt and earning the bank a profit.

## 2.2 Compare plausible alternaquences to criteria

Officer: But when you compare your six alternaquences with your newly established criteria, which remain as viable alternaquences?

Trainee: Again, evaluating each alternaquence one-at-a time, I find that: unconditionally approving the loan(1) should

## "CONVENTIONAL"

## HEURISTIC-LEADERSHIP

(Trainee: cont.)

satisfy the customers and their requirements, but may leave the bank unnecessarily vulnerable to a loss; thus limiting the bank's potential for profit; approving the loan with the computer as security(2) should again satisfy the customers and their requirements and provide the collateral (security) the bank may require and thereby improve the potential for profit; conditionally approving the loan with the Certificates as security(3) may satisfy the customers' requirements, but may not satisfy the customer and may still leave the bank with a limited loss; approving the loan with approved co-signers(4) should satisfy the customers' requirements but may unnecessarily confuse the transaction and still leaves a slim chance for a loss on the transaction; approving the loan for a smaller amount(5) may not satisfy the customers or their requirements and still leaves open the possibility for a loss; and denying the loan(6) may not satisfy the customers or their requirements, will not earn any profit for the bank, but will provide 100% protection against a loss. Therefore, the only alternaquence which satisfactorily meets all the criteria is alternaquence

## "CONVENTIONAL"

## HEURISTIC-LEADERSHIP

(Trainee: cont.)

(2): approve the loan with the computer securing the loan.

## 2.3 Select alternaquence among viable alternaquence(s)

Officer: Do you approve the loan?

Officer: Then your recommendation is. . . ?

Trainee: Yes, but I'd require the computer as collateral for the loan.

Trainee: . . . to approve a secured \$3500 installment loan at the current rate of 13% interest for approximately 24 months.

Officer: Explain.

Officer: Why 24 months?

Trainee: The Smiths have held their present positions for four years and that indicates some degree of stability. They are also current bank customers with a brief, but clean, record (i.e., no overdrafts and a record of savings). The credit bureau's records indicate no late payments on their bank loan, student loan, credit card, or department store account. There was only one late payment (within 30 days) at the furniture mart. Their total monthly payments, excluding utilities, insurance, and living expenses is approximately 20% of their monthly income and therefore, falls within an acceptable range given the amount of the requested loan. I would, however, ask that the computer be used to secure the loan as the Smiths have no major assets (i.e., they rent their home and they owe an additional \$964.70 on their car which is securing that loan) other than

Trainee: Well, the Smiths can afford to finance the loan in as little as 18 months, but should the loan be granted for less than 20 months, the bank's margin of profit would be reduced. Since the Smiths made a point of requesting a short payback period, I compromised with a 24 month payment schedule.

## "CONVENTIONAL"

## HEURISTIC-LEADERSHIP

(Trainee: cont.)

the two Certificates, they have only been customers of this bank one year, and have never established credit at this bank.

Officer: How would you suggest structuring the loan?

Trainee: I would suggest a 24 or 36 month installment loan. Should the loan be granted for less than 20 months, the bank's margin of profit would be unacceptable and should the loan be granted for more than three years, the Smiths may find the system obsolete or want to add onto the system, only to find it is not yet paid for. Therefore, I recommend, given their financial status, a 24 month installment loan at 13% interest.

## Summary

Under the "conventional" approach, the trainee neither establishes criteria for the evaluation and selection of his alternatives nor does he make the necessary comparisons. Rather, the trainee relies on his knowledge of banking standards and procedures to determine if the loan should be made, and if so, how the loan should be structured.

Under the heuristic-leadership approach, the trainee establishes his criteria based on the relevant guidelines and makes his comparisons. Of the six alternatives generated in Stage One, only one remained a viable option after the criteria were established and used to evaluate each of the six alternatives. The one viable alternative then became the recommended course of action. Had there been more than

one viable alternaquence, the trainee would have selected one of the alternaquences, perhaps the one that would maximize customer satisfaction or minimize chance for loss. The selected alternaquence, in this case alternaquence (2), will now be implemented and evaluated in Stage Three.

### 3.0 EVALUATE CHOICE

If the trainee is to become his own leader, he must learn from his experiences. Therefore, an evaluation of the alternaquence selected is required. The evaluation of the choice involves first implementing the choice (3.1), then comparing the resulting outcome to the desired outcome or anticipation of event (3.2), and finally feeding the information gained through this experience back into the next set of alternaquences generated.

#### 3.1 Implement choice

##### "CONVENTIONAL"

Officer: Now where do you go?

Trainee: I would schedule a meeting with the Smiths, discuss the terms of the loan, and assuming this was acceptable to them, I'd document the transaction through the application and security agreement, close the transaction, have all parties sign the documents, and issue the check.

##### HEURISTIC-LEADERSHIP

[See "conventional" scenario. Heuristic-leadership dialogue does not significantly vary from the "conventional".]

**"CONVENTIONAL"****HEURISTIC-LEADERSHIP**

Officer: Anything else?

Trainee: I'd continue to monitor the loan. If I perceived problems (e.g. late payments), I'd contact them to see what could be worked out. Assuming the loan is eventually paid off, I'd want to again contact them to see if our bank could assist them in other purchases or interest them in any other bank services.

### 3.2 Compare results to anticipation of event

[See heuristic-leadership dialogue. The "conventional" scenario does not vary significantly from the heuristic-leadership scenario.]

Officer: Assume you successfully negotiated and closed the loan. You have since been monitoring the loan and as the final payoff date nears, you see that there were no late payments. How well does this conclusion compare to your desired outcome or anticipations?

Trainee: It proves to be a best case scenario. The customers were satisfied and established credit through our bank. The bank extended their services, made a profit, and was protected from loss throughout the life of the loan through the security agreement.

### Summary

Given that the trainee arrived at the same course of action under both approaches,

the implementation of the choice does not vary significantly between scenarios. Also, given that this is a hypothetical example used in an exercise and the Officer determined the outcome, the evaluation of the choice did not vary significantly between approaches. One area of difference, between the two approaches, that remains is: How is this exercise used in future exercises or real loan applications? The answer to this question can best be demonstrated through the Feedback mechanism.

#### FEEDBACK MECHANISM

##### "CONVENTIONAL"

Officer: Very Good. Now, what if the Smiths. . .

Multiple scenarios follow. Each scenario changes the amount of the loan, the type of the loan, the applicants' financial status, creditors, etc.

These scenarios will enable the trainee to learn the rules and the conditions under which the rules should be applied. The trainee may also learn rules for changing the rules.

##### HEURISTIC-LEADERSHIP

The Stage Three evaluation of choice will feedback into the generation of of future alternaquences. Through this exercise, the trainee will have acquired additional information which--by adding to his ground of coherence--may aid him in the forecasting of future alternaquences. For example, should the Smiths desire another loan, the trainee should be able to more clearly anticipate the demaevent and forecast alternaquences, given that the Smiths had successfully paid off one loan and the trainee has developed a relationship with the Smiths. As a result of the changing anticipations and forecasts, changes



"CONVENTIONAL"

HEURISTIC-LEADERSHIP

in future dealings, may include a less extensive credit review and an increased possibility for an unsecured loan. If, on the other hand, the Smiths had problems in repaying this loan, and then later applied for another loan, the trainee would be able to more clearly anticipate the demaevent and forecast alternaquences. In this case, changes in future dealings may include refusing the loan request or requiring a co-signer for the loan. Such experiences will also aid the trainee in the anticipation of other demaevents and the forecasting of alternaquences for future applicants.

## SCENARIO #2

### BACKGROUND

Scenario #2 will again exemplify the research design for a communication methodology for subordinates-supervisors in commercial banking. This scenario, however, will focus on a personnel-related issue. A service representative and her immediate supervisor will compose the subordinate-supervisor dyad.

The organizational pattern for this scenario will again follow the numerical outline presented in Figure 2 (p. 28) and utilized in the first scenario. While a second explanation of the three stages may appear redundant, the proximity of this explanation to this particular dialogue should not only clarify each step of the three stages in this scenario but also reinforce the overall structure of the design.

The setting is a commercial bank's conference room and the situation is a review of the service representative's year-end evaluation and discussion of areas marked for improvement in the coming year. (The service representative will be referred to as SR within the dialogues.) The immediate supervisor (who will be referred to as IS within the dialogues) has completed the evaluation form. (A copy of the evaluation form can be found on the next two pages). The service representative has read the evaluation and is now ready to discuss both the supervisor's evaluation and recommendations for improvement as well as her own suggestions and comments.

FIGURE 3\*

## SAMPLE EVALUATION FORM

**Rating Guide:**      **Excellent(E)-consistently exceeds standards**  
                          **Above Average(AA)-usually exceeds standards**  
                          **Acceptable(A)-meets standards**  
                          **Not Acceptable(NA)-but making progress**  
                          **Unsatisfactory(U)-not making progress**

**Job Description:** service representative and Automatic Teller Machines (ATM) servicer

E   AA   A   NA   U

Management: Ability to organize work load to maximize efficiency.		xx			
---	--	----	--	--	--

Comments: Generally well organized but tends to become disorganized when she becomes especially busy (i.e. 3rd of month and some Fridays). Teller balancing record supports this. Overall, balances 90% of the time. Most errors fall around the 2nd to the 5th of each month and the 2nd and 4th Friday of the month.

Job Knowledge: Comprehends all of the main functions of the department. Has the ability reach a sound decision based upon facts. Operates within boundaries of legal bank policies.	xx				
---	----	--	--	--	--

Comments: Very knowledgeable and follows proper bank procedure in all transactions.

Commitment: Is committed to the job and works toward successful implementation of bank's policies and procedures.	xx				
---	----	--	--	--	--

Comments: Very interested in her job and interested in doing her best for the bank.

Drive: Possesses self-motivation to improve management techniques displays enthusiasm.	xx				
--	----	--	--	--	--

Comments: Very enthusiastic and very motivated. Sometime, however, she tends to take on more than she can handle.

\* This evaluation form was derived from an actual evaluation form used in a major Omaha bank.

## EVALUATION FORM CONT.

	E	AA	A	NA	U
Cooperation: Willing to work with staff and other departments while attaining management goals.			xx		

Comments: Tends to do all things herself without asking for assistance, even when others might be more appropriate for the task.

Stability: Ability to work under pressure and meet deadlines.		xx			
---	--	----	--	--	--

Comments: Overall, very good but becomes somewhat frazzled and disorganized when overly busy, either due to heavy customer traffic or self-induced work load.

Attendance: Always punctual, conforms to working hour schedules and sets an example for others.	xx				
---	----	--	--	--	--

Comments: Always punctual, rarely ever absent and always professionally attired. A real example to the rest of the staff.

Supervisor's suggestions for preparation of additional responsibility next six months: maintain current job and tasks.

Are you in agreement with the ratings you have received? \_xx\_ Yes \_\_\_ No

What position are you interested in or preparing yourself for? (If different from present position)

**Employee comments:** Should contain comments about review and/or skills you have acquired.

I believe this is a fair evaluation but some days it seems I have an inordinate amount of work to do and not enough time built into my schedule to accomplish it.

**Employee suggestions:** Methods, procedures, or conditions which affect your own job. Greater flexibility in servicing (ATM) times needed to allow for frequent shutdowns and other problems. Also, others' extra long coffee and lunch breaks prevent me from leaving on time to service the ATMs. This, in turn causes me to return late.

Employee Signature \_\_\_\_\_ Supervisor Signature \_\_\_\_\_  
Date: \_\_\_\_\_ Noted By: \_\_\_\_\_

## SCENARIO

### 1.0 GENERATE ALTERNATIVES

In order for individuals to generate alternatives, they must first construe the nature of the problem; second, establish guidelines for solving the problem; third, anticipate the consequences, and finally, forecast alternatives based on a ground of coherence. Each of these four steps in stage one will be more fully developed and exemplified through the following dialogue between a service representative and her immediate supervisor.

#### 1.1 Construe the nature of the problem

The first step in generating alternatives is to construe the nature of the problem. By describing the problem as the individual perceives it, the individual will then identify relevant constructs which may provide guidance in solving the problem by clarifying the particular situation and alternative courses of actions with their accompanying consequences.

#### "CONVENTIONAL"

IS: As you know we're here to discuss your evaluation and make some suggestions for improvement. So let's begin with the Rating Guide. Do you understand how you were evaluated?

SR: Yes.

#### HEURISTIC-LEADERSHIP

IS: So, having read my evaluation of your performance, how would you evaluate your performance?

SR: I'd agree with your evaluation for the most part. I really try to do my best and it's easy to be enthusiastic when you really like your job but some days it just seems I'm doing everything. The

**"CONVENTIONAL"****HEURISTIC-LEADERSHIP**

(SR: cont.)

lines of customers never end, lunches run late, I leave late to service the Automatic Teller Machine (ATM), return even later and therefore start back in the drive through window late.

IS: In terms of your overall evaluation then, I found that you know how to do your job very well, are committed to your work and this bank, and are always enthusiastic, friendly, punctual and neatly attired. However, your one area of weakness seems to be your inability to delegate tasks or efficiently manage your own when you have a lot to do.

IS: So how would you describe your greatest strength(s) and greatest weakness(es)?

SR: Well, some days it seems there is so much to do. The lines of customers are so long that I end up leaving for lunch late which means I'm late servicing the ATM, late returning, and late getting to my drive through window.

SR: My greatest strength would be my enthusiasm for and knowledge of the job. The last bank I worked for taught me a lot. There were only four individuals in our branch so we all did a little bit of everything. My greatest weakness is harder to describe. It's not exactly a lack of organization. I follow the correct procedures when dealing with customers and servicing the ATM. It's just that when we are especially busy or breaks are running late, I find I'm focusing on when others will return from lunch so I can leave to service the ATM or else I try to hurry so the customers won't have to wait in line so long.

**"CONVENTIONAL"**

IS: Is it that you have too much to do?

SR: I don't think so. At the last bank I worked, there were only four people in our branch. We all ended up doing a little bit of everything and I didn't have a problem then.

IS: I've noticed you tend to try to do everything, even when there are others to do it.

SR: I guess I'm somewhat self-sufficient by nature and at my last job, you had to be.

IS: Well, at this bank there are others that also have a job to do. If you refer customers to the correct department, you'll help them do their job and you may then have time to focus more on your job. Do you feel you are having trouble organizing your duties?

SR: Most of the time, no. I have a 'system' and it seems to work well most of the time.

IS: What's this system?

**HEURISTIC-LEADERSHIP**

IS: Do you find you get impatient when a customer is in the wrong line or doesn't have the deposit slip filled out or completed incorrectly?

SR: No, I usually fill the deposit slip for the customer or help them with whatever their problem is.

IS: What if it's really a customer service problem?

SR: I find it's sometimes faster to help the customer than it is to explain who they need to see or what they need to do. Besides, the customers are so nice and they always thank me for my trouble.

IS: Let me summarize what you have said and see if we can decide on what is the real problem here.

SR: Okay.

IS: -You're generally organized because you follow the correct procedure.  
-You tend to become disorganized when you focus on scheduling conflicts, such as lunches that overlap, which is especially true around

**"CONVENTIONAL"****HEURISTIC-LEADERSHIP**

(IS: cont.)

busy periods.

-You tend to help all customers, perhaps because it was expected of you at your last job, even when another department is more appropriate.

-At especially busy times, your organizational skills tend to slip, as your balancing record indicates. Is that a fair summary?

SR: It's just the procedure I use when working with customer or servicing the ATM. If I follow the same sequence every time, I tend not to forget to do something or make as many mistakes.

SR: Yes.

IS: Well, that sounds like a good system and overall, you have a good record. However, I have noticed that your errors seem to fall around busy pay periods; the 3rd of the month and some Fridays.

IS: Well, given that summary, what do you perceive your main weakness to be?

SR: I hadn't really noticed it before but we're all busier those days. It seems it's on those days everything tends to run later than usual.

SR: I guess it is trying to do others' jobs for them at the expense of my own job efficiency.

IS: Well, we seem to have come full circle without finding an easy answer. If we can agree that you occasionally tend to take on more work than anyone alone can handle, then maybe we can work on some solutions.

SR: Okay, I guess I need some help in improving my job efficiency.



## 1.2 Establish guidelines for solving the problem

While it may take some time to clearly identify the exact nature of the problem, this process of problem identification or recognition will help the individual identify guidelines important to the solution of the problem.

"CONVENTIONAL"

HEURISTIC-LEADERSHIP

IS: If you want to work on that particular weakness, what issues would you need to consider?

SR: -my job description,  
-other departments' job descriptions,  
-my proficiency level as a sales representative, and  
-my proficiency level at servicing the ATM.

IS: Anything else? Perhaps something not so closely related to your job?

SR: -scheduling conflicts and  
-customer satisfaction.

IS: Anything else?

SR: Not that I can think of.

## 1.3 Anticipate the decision making (dema) event

Now that the service representative understands the nature of her problem and has identified some guidelines appropriate to alleviating the problem, she is ready to focus on the specific circumstances of her problem. The service representative will

anticipate how she might react on her next especially busy day by first orally construing how her last busy day proceeded (1.3a) and then based on past experiences, forecast how her next busy day might proceed. The invariant patterns of behavior discovered will form the basis for a ground of coherence upon which she will later base her alternating forecasts (1.3b).

### 1.3a Structure demaevent by construing replication of the event

"CONVENTIONAL"

HEURISTIC-LEADERSHIP

IS: Okay, now that we have a clearer picture of the problem and what is involved, let's look to see if there are any patterns to your behavior. Describe last Thursday, the third, for me.

SR: The government checks were delivered the third so we started getting busy around eleven o'clock, the same time as the first lunch group leaves. We stayed busy through all three lunches.

IS: Did the lunch breaks run on time?

SR: No. The first group came back about five to ten minutes late so the second group left about ten to fifteen minutes late. They, in turn, came back about five to ten minutes late. By the time I leave for lunch, in the third group, lunches are running about twenty to twenty-five minutes later than usual. When I get back from lunch, I balanced my drawer for the

## "CONVENTIONAL"

## HEURISTIC-LEADERSHIP

(SR: cont.)

day. Everything balanced. I left to go service the ATMs, one was jammed with receipt cards. By the time I cleaned the machine and general area, fixed the jam, and called to get the machine back on-line, I was really running late. I skipped my break and got to the window on time, but because I hadn't had a break since lunch, I was somewhat tired during my last two hours.

IS: Is this the usual pattern of a busy day for you?

SR: Some days there are more time conflicts due to illnesses or vacations and problems, and some days there are less. On the whole, that's a pretty typical busy day.

1.3b Look for invariant relations among and between demastructures upon which a ground of coherence may be based.

IS: Are all your days like this?

SR: No. Our 'normal' business days don't cause nearly the problems 'especially busy' days create.

IS: Would the lunches run late causing you to run late the rest of the day and skip your break?

SR: Not usually. On a 'normal' day, I only run late if I don't balance or if there is an

**"CONVENTIONAL"****HEURISTIC-LEADERSHIP**

(SR: cont.)

especially tricky problem  
with the ATMs.

IS: Given your diverse ex-  
periences, how would you  
describe this coming Friday?

SR: Based on my past ex-  
periences and given that this  
is a big payday, I'd say we'd  
start getting busy around  
11:30, the time when people  
cash their checks over their  
lunch breaks. It would slow  
up around 1:30. Lunches  
would run moderately slow.  
I'd leave a bit late for my  
lunch. After lunch, I'd  
balance my drawer for  
the day and assuming  
everything balanced, I'd leave  
to service the ATMs. I'll  
probably have to fix some  
jam or try to get the machine  
back on-line. This would  
cause me to run even later.  
I'd have to shorten or  
eliminate my afternoon break  
to get to my window on time.

#### 1.4 Forecast alternaquences based on a ground of coherence

Through her descriptions of different work situations, the service representative identified patterns of behavior (invariant relations) which provided some ground of coherence. This ground of coherence, in turn, provided a plausible direction for her anticipation of the upcoming demaevent.

This ground of coherence will also provide some basis for the forecasting of

alternatives. To forecast alternatives, the individual first needs to generate the alternative courses of action (1.4a) and then forecast and link, via the principles of interpretation and ground of coherence, the consequences of those alternative courses of action (1.4b). The generating of alternative courses of action is dependent on the demalogic of the individual making the forecast. The predominant demalogic in this scenario will be the originaive pattern of decision making. (Previously described in 1.4 of Scenario #1).

#### 1.4a Generate alternative courses of action

##### "CONVENTIONAL"

IS: Realizing that you tend to overdo and that it's generally only a problem when the number of customers is so great that it causes scheduling problems, what options do you have in handling this problem?

SR: I'm not really sure. I guess I could try concentrating on one task at a time. I'll take it customer-by-customer, task-by-task.

##### HEURISTIC-LEADERSHIP

IS: Realizing that you tend to overdo and that it's generally only a problem when the number of customers is so great that it causes scheduling problems, what options do you have in handling next Friday's schedule?

SR: Well, I guess I could:  
 (1) try to maintain my usual courteous, efficient manner by taking it one customer at a time or one task at a time, or (2) I could develop the habit of referring customers to other departments when appropriate, or (3) I could try to not let scheduling conflicts bother me, or (4) I could take it one customer at a time and only if it was appropriate for me to do so, or (5) I could try to ignore the scheduling conflicts and concentrate on one customer at a time and only when

## "CONVENTIONAL"

## HEURISTIC-LEADERSHIP

(SR: cont.)  
appropriate.

IS: That's a good suggestion. Any others?

SR: I'm not sure.

IS: How about also try referring customers  
to other departments when appropriate?

SR: I'll work on that, but could we also  
do something about some of the  
extra-long breaks. On 'normal'  
days, I can cover and it's not a  
problem, but on especially busy  
days or days when the ATM acts  
up, it really makes it  
difficult to get everything  
done and on time.

IS: Well, that's a scheduling problem and  
that's really my job. I'll monitor the  
breaks more closely. If you run into  
a snag where you need to leave but  
someone is not back yet, come see me.  
Don't try to solve all the problems  
by yourself, okay?

SR: Okay.

IS: Are there any things that I  
might do that would help you  
do your job better?

SR: Well, since you can't really  
control who's absent on a  
particular day, the number  
of customers, or how I react  
to busy days, about all you  
could do, if possible, is  
schedule more personnel or  
monitor breaks more closely.

IS: So, then to improve your efficiency,  
our three suggestions were to take it  
one task at a time, refer customers to the  
appropriate departments, and let me handle  
the scheduling problems. Is that  
right?

IS: How about if we combine all  
that and revise your third  
option to read: Refer all  
scheduling concerns to my  
supervisor and let her do  
her job in scheduling and  
monitoring breaks. I, in

"CONVENTIONAL"

HEURISTIC-LEADERSHIP

(IS: cont.)

turn, will try to focus on the problem more. If this affects you, chances are, it affects others as well.

SR: Yes. Those were our three suggestions.

1.4b Forecast consequences of alternative courses of action based on principles of interpretation and ground of coherence

"CONVENTIONAL"

HEURISTIC-LEADERSHIP

IS: Given these five alternatives, what do you forecast the consequences of each of these alternatives to be?

SR: Taking each alternative, I'd say that if I concentrated on one customer or task at a time(1), it may result in my following my usual procedures and it may cut down on my number of errors. I may still tend not to discriminate among my customers; thereby, trying to do too much again, rushing, and making errors. Also, I may still focus on scheduling problems which is another distraction that may decrease my efficiency. If I refer customers to the appropriate department(2), I eliminate processing customer transactions that would be better off in another department, but I may still try to handle too many customers too quickly and may still focus on

## "CONVENTIONAL"

## HEURISTIC-LEADERSHIP

(SR: cont.)

scheduling problems. Both of these problems may result in continuing balancing errors. If I refer all scheduling problems to you (3), I eliminate one unnecessary source of distraction, but my problem of trying to do everything myself and the subsequent problems of balancing, organizing and my inability to work with other departments still remain. If I combine options 1 and 2 (4), I get the benefit of following my usual procedures and hopefully decreasing my number of errors. I also utilize other departments, including my own, more efficiently. My only possible source of distraction may still be scheduling. If I combine options 1,2 and 3 (5), I have all the benefits stated with option (4) as well as decreasing the scheduling distraction which isn't my job anyway. However, I may find it difficult to change all my habits all at once.

IS: Let's assume, for now, that whichever option you select, it may take awhile to completely change your behaviors.



## Summary

Under the "conventional" approach, the service representative, in consultation with her immediate supervisor, has identified the nature of the problem. Based on the nature of the problem, the supervisor, with the help of the service representative, made three suggestions.

Under the heuristic-leadership approach, the service representative, in collaboration with her immediate supervisor, has just generated five alternatives. The alternatives were generated by construing the nature of the problem, establishing guidelines for solving the problem, anticipating the outcome and finally, forecasting alternatives based on a ground of coherence. Assuming that the service representative wants to improve her performance by eliminating this area of weakness, each of the possible courses of action has been identified along with the possible consequences for each action. The service representative has yet to evaluate or select the alternative(s). These are the purposes of Stage Two of the communication methodology.

## 2.0 EVALUATE AND SELECT ALTERNATIVES

The evaluation and final selection of an alternative requires that the service representative, perhaps with the help of her supervisor, first generate the criteria by which the alternative will be evaluated. The guidelines that were established in 1.2 of Stage One help provide some basis for the criteria, but step 2.1 requires the service representative to carefully analyze the guidelines and then clearly construct the criteria.

Once the criteria have been generated, each of the five alternaquences will then be evaluated through a comparison with the newly established criteria (2.2). Those alternaquences which meet the criteria will be considered viable alternaquences and the service representative will then be able to select one of the viable alternaquences (2.3).

## 2.1 Generate criteria for selection of alternaquence(s) in accordance with guidelines

"CONVENTIONAL"

HEURISTIC-LEADERSHIP

IS: In order to help you select the best alternaquence, lets develop some criteria for judging your alternaquences. You stated earlier in constructing your problem, you needed to consider: your job description, others' job descriptions, your levels of proficiency as sales representative and in servicing the ATMs, scheduling, and customer relations. Given these guidelines, develop some criteria upon which to base your selection.

SR: I'm not sure what criteria to develop.

IS: Okay. From your point-of-view, or the bank's, what is an ideal work situation?

SR: I guess the ideal work situation would be when everyone does the best job possible and the result is satisfied customers.

IS: So rephrase that to reflect your criteria for selection.

**"CONVENTIONAL"****HEURISTIC-LEADERSHIP**

SR: I want to select the option that will allow me to perform more effectively, utilize others efficiently, and ultimately keep the customer satisfied with the services received.

**2.2 Compare plausible alternatives to criteria**

IS: Good. Which of your alternatives, if any, will do that?

SR: Focusing on one customer or task at a time (1), may allow me to work more efficiently and should satisfy the customers but will not utilize others effectively. Referring customers to other departments (2), will utilize other departments more efficiently, may maintain customer satisfaction but may not necessarily improve my job performance. If I refer all scheduling problems to you (3), I will be utilizing your abilities more fully but may not necessarily be fully utilizing other departments, may or may not be satisfying customers, and may or may not be improving my performance. If I combine #1 and 2 (4), I should be utilizing other departments more fully, satisfying the customers, and may be improving my performance. If I could do all #1,2,and 3 (5), I should fully utilize you and the other departments, maintain customer

## "CONVENTIONAL"

## HEURISTIC-LEADERSHIP

( SR: cont.)

satisfaction and improve my job performance.

The five vary in the degree to which they satisfy my criteria for selection. While I can't be sure exactly what will happen, options (4) and (5) should satisfy the criteria, (5) more so than (4).

### 2.3 Select alternative among viable alternative(s)

IS: Well, why don't we try following our three suggestions: (1) focusing on one task at a time, (2) referring customers to other departments, and (3) allowing me to handle the scheduling problems. Let's try these three suggestions and see how they work.

I want to thank you for your comments and suggestions. I hope I've been some help to you in this matter.

SR: You have. Now, the next time it's really busy, I'll just take it one job at a time, refer customers to the appropriate department, and refer all scheduling problems to you.

IS: What do you plan to do next Friday?

SR: I'll probably try to take it one job at a time, refer customers to the appropriate department, and let you handle the scheduling problems. I may occasionally slip into old habits, but by reviewing my alternatives, I can work on each of the three areas and thereby, improve my performance and the satisfaction of the customers.

IS: Let's sit down after work on Friday and discuss how well or poorly this decision

**"CONVENTIONAL"****HEURISTIC-LEADERSHIP**

IS: Good. Any other questions or comments?

(IS: cont.)  
worked out for you.

SR: No.

SR: 'Til Friday then.

IS: We'll review your progress then in  
three months or so. How does that sound?

SR: Fine. Thanks again for all your help.

**SUMMARY**

Of the five alternaquences generated in Stage One, only two were considered viable options after the criteria were established and used to evaluate each of the five alternaquences. The alternaquence which offered the greater opportunity to satisfy all the criteria was selected. Since all five met the criteria to some degree, any of the five could have been selected and may be selected in future situations.

While the final selection, under both the "conventional" and heuristic-leadership approaches, was the same, the method of reaching that decision differed. This difference in procedure will later affect how the decision is implemented and how the service representative will react if her decision does not work.

**3.0 EVALUATE CHOICE**

If the service representative is to become her own leader, she must learn to adapt if the decision does not create the desired response. This adaptation can be accomplished by first implementing the choice (3.1), then comparing the resulting outcome to the desired outcome (3.2), and finally feeding the information gained through this

experience back into the next set of alternatives generated.

NOTE: THROUGHOUT THIS STAGE (3.0), ALL OF THE STATEMENTS UNDER BOTH APPROACHES DEPEND UPON FORECASTING AND ARE HYPOTHETICAL RATHER THAN STATEMENTS OF FACT.

### 3.1 Implement choice

#### "CONVENTIONAL"

The service representative implements her selected option on the following Friday.

#### HEURISTIC-LEADERSHIP

The service representative implements her selected option on the following Friday.

### 3.2 Compare results to anticipation of event

The service representative found that if she focused on the three suggestions, her day was more organized. However, as her day grew more hectic, she found herself starting to rush through her customers' transactions. As the lunches were running a little late, she went looking for her supervisor to inform her of the delay and inquire as to what she should do. The supervisor asked her to wait until the others returned from their lunch before taking her own lunch. The service representative went to lunch, came back and serviced the ATMs, and because she was running late, checked in with her supervisor. The service representative requested and was granted an afternoon break prior to reporting back to her window. The service representative completed her day and

IS: Well, did you survive?

SR: Actually, the day went better than usual. It was still busy. Lunches were a little late, but not as bad as usual. I really concentrated on one task at a time and made a conscious effort to refer customers to the most appropriate department or person. As a result, I balanced for the day and am not nearly as frazzled as I usually am on a Friday. I also believe that I performed efficiently. The customers seemed happy, the lines moved along, and all-in-all, it was a good day.

**"CONVENTIONAL"****HEURISTIC-LEADERSHIP**

(SR: cont.)

discovered that she had reduced her number of errors.

IS: Good. I'm glad.

**FEEDBACK MECHANISM**

The service representative continued to work at improving her efficiency by taking one customer at a time, by referring customers to other departments when appropriate, and by checking with the supervisor whenever there was a scheduling problem. The service representative waited three months for her periodic performance evaluation to report back to her supervisor.

IS: The next time you are having an especially busy day, or if you want to develop this into a steady habit, think about your five alternatives, select one, and try it. If it doesn't work, or doesn't work as well as you'd like, utilizing whatever knowledge gained from your previous experiences, generate new alternatives, evaluate and select one, and then evaluate your choice. Now then, did you have any other questions or comments?

SR: No.

IS: We'll do this again in three months and see how you're progressing.

SR: I think I'll do just fine.  
Thanks for all your help.

**SUMMARY**

The service representative under both approaches attempted to improve her job performance. The service representative in the "conventional" dialogue accepted her

supervisor's diagnosis, attempted to follow the three recommendations for improvement, and remained dependent on the supervisor's assistance in solving her problems.

In the heuristic-leadership dialogue, the service representative, in collaboration with her supervisor, led herself through the decision making process. Given her new-found knowledge of the process, the service representative is closer to replicating the process independently, including identifying her own weaknesses, generating alternaquences for solving that area of weakness, evaluating and selecting an alternaquence, and finally, evaluating her choice.

#### RESULTS OF COMPARISONS WITHIN AND BETWEEN THE TWO SCENARIOS\*

The exemplification of the communication methodology through the two scenarios highlighted some similarities and differences both among the approaches and between the scenarios. Despite the obvious similarity that both scenarios were situated in a commercial banking setting and the obvious difference in issues (scenario one was based on a financial dilemma while scenario two was predicated on a personnel-related issue), there were numerous similarities and differences. These similarities and differences between the approaches and scenarios are highlighted through a stage-by-stage, step-by-step comparison of the "conventional" and heuristic-leadership approaches in each of the two scenarios.

The numerical headings of 1.0, 1.1, 2.0, etc., used in the research design in Figure 2, p. 28, were again used throughout this section of the chapter. For summary

\* For an oversimplified summary of the results, see Appendix A.



purposes, however, the sub-subsections such as 1.3a or 1.4b were included in their appropriate subsections, 1.3 and 1.4 respectively.

## 1.0 GENERATE ALTERNATIVES

In both scenarios, the generation of alternatives was the result of first construing the nature of the problem; secondly, establishing guidelines for solving the problem; thirdly, anticipating the demerit; and finally, forecasting alternatives based on a ground of coherence. Within each of these four steps, however, there were numerous similarities and differences. Specifically, the amount of time devoted to the construal of the nature of the problem, the establishment of guidelines or lack thereof, the focusing on the demerit, and the forecasting of alternatives or alternatives.

### 1.1 Construe the nature of the problem

Both scenarios differ in the amount of time devoted to construing the nature of the problem. When the problem is known or, at least, readily identifiable, as in scenario one, little, if any, time is devoted to construing the nature of the problem. Under the "conventional" approach, this step was skipped entirely. Under the heuristic-leadership approach, a description of the situation was all that was required.

In scenario two, however, the exact nature of the problem was not readily identifiable and therefore the service representative and her immediate supervisor devoted some time to discussing the exact nature of the problem. Under the "conventional" approach, the supervisor diagnosed the problem and 'persuaded' the service representative to accept her description of the problem. Under the heuristic-leadership ap-

proach, the construal of the nature of the problem was determined in a more dialogical fashion.

### 1.2 Establish guidelines for solving the problem

The "conventional" approach, in both scenarios, excluded the establishment of guidelines from the problem-solving process.

The heuristic-leadership approach, in both scenarios, included the establishment of guidelines for solving the problem. In scenario one, the trainee outlined guidelines for making a loan determination. In scenario two, the service representative outlined guidelines relevant to her particular area of weakness.

### 1.3 Anticipate the decision making (dema) event

Focusing on the anticipation of the demaevent occurred, to some extent, under both approaches in scenario one but only under the heuristic-leadership approach in scenario two. Under both the "conventional" and heuristic-leadership approaches, in scenario one, the anticipation and description of the general loan process was evident. The emphases, however, differed. The "conventional" approach emphasized the application of the proper loan procedures and rules. The heuristic-leadership approach emphasized the loan process and the invariance of relations among the steps of that process. Under the "conventional" approach, the trainee, when given the specific facts of a loan application, applied his knowledge of the loan process and rules to aid in later making a final loan determination. Under the heuristic-leadership approach, however,

the trainee utilized his knowledge of the loan process to systematically integrate the particulars of this one loan into the general framework of processing a loan.

It is only under the heuristic-leadership approach, in scenario two, that the service representative used her past experiences to more clearly anticipate her next busy day. The past experiences formed a ground of coherence that the service representative used to anticipate how her next busy day would progress. Under the "conventional" approach, the service representative omitted this whole step, as it was the supervisor who diagnosed the nature of the problem.

#### 1.4 Forecast alternaquences based on ground of coherence

Under the "conventional" approach, alternatives are generated but only in scenario two. Under the heuristic-leadership approach, in both scenarios, alternaquences were generated.

The "conventionally-trained" trainee, in scenario one, perhaps because he has only to match the correct rule(s) with the situation, skipped the forecasting of alternatives. Under the "conventional" approach, in scenario two, the service representative's supervisor, with the service representative's assistance, provided the service representative with three suggestions for improving her efficiency. The three suggestions were combined into one alternative course of action. The consequences of neither the suggestions nor the alternative course of action were considered.

Under the heuristic-leadership approach, the trainee, in the first scenario, generated six alternaquences. Under the heuristic-leadership approach in the second scenario, the service representative, in collaboration with her supervisor, generated

five alternaquences.

## 2.0 EVALUATE AND SELECT ALTERNAQUENCES

It is only the heuristic-leadership approach, in both scenarios, which utilized the generation of criteria and the subsequent comparison of alternaquences against the newly-created criteria. However, both the "conventional" and the heuristic-leadership approaches, in both scenarios, arrived at a final selection.

### 2.1 Generate criteria for selection of alternaquence(s) in accordance with guidelines

Under the "conventional" approach in both scenarios, no criteria were generated. Under the heuristic-leadership approach in both scenarios, the generation of criteria was based on the guidelines established in 1.2.

### 2.2 Compare plausible alternaquences to criteria

Under the "conventional" approach in both scenarios, as no criteria were generated, no comparisons were made.

Under the heuristic-leadership approach in both scenarios, the subsequent comparisons resulted in one viable alternaquence in scenario one and two viable alternaquences in scenario two. This resulted in an obvious selection for the trainee in scenario one, but required a choice of alternaquences for the service representative in scenario two.

### 2.3 Select alternaquence among viable alternaquence(s)

Under each of the two approaches in both scenarios, no significant difference was found in the final selection. (Given different situations or approaches, this identical outcome may or may not occur.) The two scenarios also differ. Within scenario one, the amount of time devoted to the selection of the alternative or alternaquence was the major difference. Within scenario two, the individual most responsible for selecting the alternative or alternaquence highlighted the basic difference.

Under the "conventional" approach in scenario one, the trainee, given his background and knowledge, selected the solution that offered the best fit to the particular problem. He then offers his rationale for the selection. Under the heuristic-leadership approach in scenario one, the selection appeared obvious given the generated alternaquences and the subsequent evaluation of those alternaquences against the pre-established criteria. Thus, the explanation for the selection was minimal.

Under the "conventional" approach in scenario two, it is the supervisor who was most responsible for determining the final selection. The service representative was urged to accept the solution and to change her daily behavior. Under the heuristic-leadership approach in scenario two, the service representative was urged to select for herself the alternaquence that she favored.

## 3.0 EVALUATE CHOICE

The final evaluation involved implementing the choice and then comparing the hypothetical results to the earlier anticipations. The two approaches, in both scenarios, resulted in no significant difference in the choice implemented. Also, under both

approaches in scenario one, there were no significant differences in comparison of results to the anticipation of the event. The major differences between approaches, in scenario one, appeared in how the information was utilized as it was fed forward to influence later decisions. The major differences in approaches, in scenario two, appeared in the evaluation of choice and its later influence on behavior.

### 3.1 Implement choice

Under both approaches in scenario one, the implementation of the choice resulted in no significant differences in the choice implemented. Under both approaches in scenario two, the service representative implemented similar strategies, but with differing results.

### 3.2 Compare results to anticipation of event

Under both approaches in scenario one, there was no significant difference in the comparison of results. This was, perhaps, to be expected as the choice was very similar and the officer provided the conclusion to the hypothetical example.

Under each of the approaches in scenario two, however, a comparison of the results highlighted the difference. Under the "conventional" approach, the service representative had not learned how to identify her problems for herself and therefore, had to rely more heavily on the supervisor's assistance. On the other hand, under the heuristic-leadership approach, the service representative identified her own area of weakness, generated alternatives, and thus, was more independently able to begin altering her day-to-day behaviors.

## FEEDBACK

Depending on the approach applied and the scenario, what the subordinates learned from each experience differed. Under the "conventional" approach in scenario one, the trainee learned sets of rules which were intended to cover most of the situations he will eventually face. If given an unfamiliar situation or circumstance, however, the rules he learned may not be applicable, and consequently he would be unable to handle the problem unless he learned rules for changing the rules. Under the heuristic-leadership approach, however, the trainee understood the process by which he (1) generated appropriate alternatives given this particular situation, (2) evaluated and selected alternative(s), and (3) evaluated his choice and made whatever changes were necessary and should, therefore, be closer to replicating the process independently.

Under the "conventional" approach in scenario two, the service representative, was comparatively disadvantaged insofar as she did not have the explicit training in leading herself through the demonstration. Under the heuristic-leadership approach, however, the service representative was reminded of how she herself handled this situation and how she might apply this same procedure of (1) generating alternatives for a given problem, (2) evaluating and selecting an alternative, and (3) evaluating her final choice to any other problems she may face before their next evaluation meeting. Given the incremental change in such cases, neither the service representative nor her supervisor should be surprised if overcoming her area of weakness requires several experiences. Given her knowledge of how to make decisions, however, she should be prepared to face future problems.

## CHAPTER 3

### SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

#### SUMMARY

This thesis neither advocated nor adhered to the traditional, top-down form of leadership exhibited in most commercial banks. Rather, this thesis emphasized heuristic decision making through the active participation of both members of the dyad.

Given my interest in commercial banking and the lack of a communication methodology for the coactive generation of heuristic-leadership decision, this thesis provided a research design for subordinates and their immediate supervisors to co-actively generate heuristic-leadership decisions in commercial banking.

The options generated in this communication methodology thesis were generated by means of Kelly's (1955) theory of constructive alternativism, modified by MacNeal's (1984) alternaquences, and supplemented with pertinent aspects of Sander's (1987) Cognitive Foundations of Calculated Speech.

Individuals utilizing a heuristic-leadership approach to decision making would construct alternaquences and implement incremental decision strategies based on their anticipations of events, which, in turn, was based on their forecast given the ground of coherence of the discourse or dialogue.

The three stages of the design structure for the communication methodology were: (1) Generate alternaquences, (2) Evaluate and select alternaquene(s), and (3) Evaluate choice. Chapter two exemplified the three stages of the design structure for the communication methodology through two diverse scenarios, both of which contrasted the



heuristic-leadership approach with the more "conventional" approach to decision making.

### CONCLUSIONS AND RECOMMENDATIONS FOR FURTHER RESEARCH

This thesis supports the plausibility, perhaps even the feasibility, of the heuristic-leadership approach in commercial banking.

Each demajuncture is unique. Accordingly, further research on the coactive generation of heuristic-leadership decisions should include field studies where decisions are tailored to the particular situations and the findings are ideographically interpreted and tentatively applied on a case by case basis.

Although this communication methodology was designed for use in commercial banks, there is no reason to assume that this methodology would not be practicable in other decision making situations. For example, a financial determination in another profit-oriented organization, a financial determination in a non-profit organization, a personnel-related issue in a non-profit organization, a personnel-related issue in a research and development company.

The prospective research should test the practicability of the communication methodology in actual decision making situations. Selected supervisors would be trained in the coactive approach to heuristic-leadership decision making. They, in turn, may then coactively work with their subordinates. The training should include

- (1) generating alternaquences, (2) evaluating and selecting alternaquene(s), and
- (3) evaluating their choice(s).

The comparison of approaches exemplified in the two scenarios provided the basis for the following five conclusions presented in the form of hypotheses for further research:

H1: Utilizing the heuristic-leadership approach does not change banking policies and standards, (nor is there any reason to expect that, in other cases, it would change any acceptable banking policy or standard).

H2: The subordinates in the heuristic-leadership approach are more likely than the subordinates in the "conventional" approach to: (1) consider criteria for selection prior to generating options and (2) establish criteria prior to the evaluation of options and the final selection of option(s).

H3: Generated alternatives are more likely under the heuristic-leadership approach than under the "conventional" approach.

H4: Under the heuristic-leadership approach, subordinates are more likely to learn how to make a decision, rather than what decision to make.

H5: Under the heuristic-leadership approach, subordinates are not only more independent, but also more coactively interdependent.

## APPENDIX A

## OVERSIMPLIFIED SUMMARY OF THE RESULTS OF THE COMPARISONS

DESIGN STEP	"CONVENTIONAL"	HEURISTIC-LEADERSHIP
1.1 Construe nature of the problem ** p. 78	S1: skipped  S2: IS diagnosed and persuaded SR	S1: description sufficient  S2: more dialogical diagnosis
1.2 Establish guide- lines for solving problem  p. 79	S1: excluded  S2: excluded	S1: trainee outlined loan deter- mination guidelines  S2: SR outlined guidelines re- lating to her area of weakness
1.3 Anticipate demaevent  p. 79	S1: emphasized loan process and rules  applied knowledge of process and rules to aid in decision making  S2: omitted as IS diagnosed	S1: emphasized loan process and invariance of relations among steps of process  utilized knowledge to sys- matically integrate particulars of this loan into general frame- work of processing loans  S2: SR used past experiences to form ground of coherence

## Legend:

S1: scenario #1

S2: scenario #2

IS: immediate supervisor

SR: service representative

\*\* Page numbers correspond to where fuller discussion can be found in the main text.

DESIGN STEP	"CONVENTIONAL"	HEURISTIC-LEADERSHIP
<p>1.4 Forecast alterna- quences based on ground of coherence</p> <p>p. 80</p>	<p>S1: omitted</p> <p>S1: IS, with SR assis- tance, provided three suggestions in the form of a course of action. Consequences of neither the suggestions nor the course of action were discussed.</p>	<p>S2: Trainee generated six alternaquences.</p> <p>S2: SR, in collaboration with IS, generated five alternaquences.</p>
<p>2.1 Generate criteria for selection of alternaquences in accordance with guidelines criteria</p> <p>p. 81</p>	<p>S1: omitted</p> <p>S2: omitted</p>	<p>S1: guideline-based</p> <p>S2: guideline-based criteria</p>
<p>2.2 Compare plausible alternaquences to criteria</p> <p>p. 81</p>	<p>S1: omitted</p> <p>S2: omitted</p>	<p>S1: comparisons yielded one viable alterna- quence</p> <p>S2: comparisons yielded two viable alterna- quences</p>

DESIGN STEP	"CONVENTIONAL"	HEURISTIC-LEADERSHIP
<p>2.3 select alterna- quence among alternaquences</p> <p>p. 82</p>	<p>S1: no significant difference in selection</p> <p>S1: more time devoted to selection</p> <p>S2: IS makes choice</p>	<p>S1: less time devoted to selection</p> <p>S2: SR makes choice</p>
<p>3.1 Implement choice</p> <p>p. 83</p>	<p>S1: no significant difference</p> <p>S2: similar strategies implemented but with differing results</p>	
<p>3.2 Compare results to anticipation of event</p> <p>p. 83</p>	<p>S1: no significant difference</p> <p>S2: relied more heavily on supervisor's assistance</p>	<p>S2: identified own area of weakness, generated alternaquences</p> <p>was more indepen- dently able to begin altering her behaviors</p>

DESIGN STEP	"CONVENTIONAL"	HEURISTIC-LEADERSHIP
<p>Feedback</p> <p>p. 84</p>	<p>S1: learned sets of rules</p> <p>S2: comparatively disadvantaged as she did not have explicit training in leading herself</p> <p>is more dependent on the supervisor</p>	<p>S1: learned process by which to generate alternatives, evaluate and select alternative, and evaluate choice.</p> <p>S2: reminded how she generated alternatives, evaluated and selected an alternative, and evaluated her choice</p> <p>is more independent, but also more coactively interdependent</p>

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