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Exploring restructuring choice-making, key drivers, influences, and conditions: A qualitative empirical study of strategic decision-making in the Iraqi Industrial Public Sector Companies

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A thesis submitted for the degree of doctor of Philosophy in management studies

(strategic management)

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October 2013

Abstract

The Iraqi industrial public sector companies are the backbone of the Iraqi national industry. These companies adopted restructuring as their strategic choice to face the changes in the nature of their business environment that occurred after 2003. The purpose of this study was to explore and describe how restructuring choices of these companies were made. In the strategic choice-making literature, there are two opposite lines of research to understand how strategic choices are made. One is that the business environment of the organisation shapes its strategic choices, while the second argues that top managers of the organisation play a crucial role in determining these strategic choices.

In an attempt to explore the role of both the business environment and decision makers in shaping the restructuring choices in Iraq, I realised that the way strategic choice-making literature had theorised around the drivers of strategic choice-making did not help me to fully understand what I was observing. I realised that there is a gap between these theories, which have been generated in western contexts and the reality of decision-making in Iraq that need further understanding. To attempt to fill this gap, I tried to bridge what I had been observing in my fieldwork on the characteristics of the Iraqi context. 43 elite interviews and 5 ethnographic interviews were utilised to collect the data and ensure credibility.

Based on the data analysis that followed, two key themes emerged. Whereas the first of them relates to the visible drivers of restructuring choice-making in the context of the Iraqi industrial public sector companies, the second focuses on the hidden drivers of this process. Based on the findings of this study, I concluded that the personal and factional goals played a significant role in determining and shaping the restructuring choices of these companies.

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I firmly believe in what the Greek philosopher Aristotle stated “The whole is greater than the sum of its parts”. This study would not have been completed without the direct and indirect contributions, support, and encouragement of numerous people.

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The participants in this study, for sharing your experiences with me.

The Iraqi government, for sponsoring me and giving me this opportunity to pursue my PhD.

Declaration

I, Mohammad K. Abraheem, hereby declare that "**Exploring restructuring choice-making, key drivers, influences, and conditions: A qualitative empirical study of strategic decision-making in the Iraqi Industrial Public Sector Companies**", which I hereby submit for the degree of PhD in Management at the University of Essex, is my own work and that all references appear in the list of references. I further declare that this thesis has not been accepted in whole or in part for any other degree.

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Chapter 1

Introduction

1.1 The Background of the Study:

The Iraqi industrial public sector companies, which belong to the Ministry of Industry and Minerals, are the backbone of the Iraqi national industry and the largest industrial companies in Iraq. From 1980 to 2003, the Iraqi market depended to a very large extent on these companies to meet its needs without paying attention to the quality as there was a dire need for everything due to the impacts of the Iraqi-Iranian war which lasted from 1980 to 1988, Iraq's occupation of Kuwait in 1990 and the subsequent economic sanctions imposed on Iraq from 1990 to 2003. Iraqi people were forced to accept the products of the national industry with a low level of quality as there were no alternatives available in the Iraqi market at that time. The previous Iraqi regime neglected the Iraqi national industry to a very large extent and concentrated all its efforts on establishing and developing the military industries. The majority of Iraqi Industrial public sector companies were built in the 1960s and 1970s. Most of these companies have not witnessed any development since their inception. Some of them have even been completely out of order for a long time due to the wars and the economic sanctions and blockade.

In 2003, the Iraqi government institutes were completely dysfunctional, the majority of the infrastructure was completely destroyed, the economic blockade was lifted and the imported goods began flowing largely into the Iraqi market, bringing new technologies and better qualities of which Iraqi people had been deprived for three decades. These conditions brought a new reality to the business environment of the Iraqi industrial public sector companies. Over the last few years the external environment of these companies

has become highly complex in terms of the number of factors that can affect their performance, increasingly dynamic in terms of the increasing external interest in the Iraqi market and very scarce in terms of the Iraqi consumers who prefer the products of the Iraqi public sector companies.

The Iraqi Industrial public sector companies operate in a business environment in which various factors interacted to put a huge pressure on these companies. These factors include the competition with new and aggressive entrants, the expectation of the Iraqi Ministry of Industry and Minerals – the owner of these companies – the reluctance of consumers to support the local products, the political conflict, the deterioration of the security situation and the financial and administrative corruption.

The political conflict in Iraq coupled with the security instability and financial and administrative corruption to put obstacles in front of the correct response of these companies to the changes in their business environment. On the one hand, the political conflict in Iraq is a conflict between interests in which each side tries to serve its interests by holding as many as possible positions in the governmental insinuations and by influencing the legislation of laws, including the laws that govern the work of these companies, in a way that serves their factional interests. On the other hand, the security situation plays a crucial part in the deterioration of the performance of the Iraqi public sector organisations due to the killings and displacement of the Iraqi competencies and to the terrorist operations which hinder the daily work of these organisations. As for the financial and administrative corruption, it rots the Iraqi public sector organisations and it stifles many of the reform actions.

Moreover, the significant improvement in the income level of the Iraqi individual after the fall of Saddam's regime in 2003 triggered changes in the Iraqi consumers' behaviour

and preference in terms of their view of technology, quality, prices and services. In the context of the Iraqi market, it is important to understand that there is no kind of competition between the Iraqi Industrial public sector companies themselves, or even between them and the Iraqi private sector companies, because all the big Iraqi companies are either state-owned or joint-stock companies in which the state typically holds the majority of the shares. Further, it is important to note that there are no foreign companies established in Iraq, but there are imported products in the Iraqi market that dominate the Iraqi consumers' preferences. Most of these imported products come from China, Turkey, Iran, Syria and Egypt and control the majority of the Iraqi market. These imported products compete with each other to get the biggest market share in the Iraqi market. The weakest competitors in the Iraqi market are the Iraqi industrial public sector companies which are suffering from many internal difficulties and crises. Hence, the above-mentioned changes are the most prominent features of the new business environment of the Iraqi industrial public sector companies.

The changes in the external conditions of the Iraqi industrial public sector companies, among others, have necessitated their need to restructure their internal capabilities in order to improve their efficiency and performance to cope with the new strategic situation of their business environment. Restructuring is a critical mechanism in the successful adaptation of organisations to meet the requirements of their external business environments (e.g. Chandler 1962; Lawrence & Lorsch 1967) through a significant change in the organisation's assets, capital structure and/or organisational structure (Singh, 1993). Over the past ten years, restructuring activities have become a phenomenon in the Iraqi industrial public sector companies, a restructuring which, in most cases, involved building new facilities and production lines, refurbishing and upgrading the existing facilities, selling business lines, closing or consolidating facilities

and business units and offering some facilities and production lines for external investment.

The interrelationship between the organisation and its external business environment has been enduring themes of organisation and management research over the last decades (Clark, 2004). Mintzberg (1979) describes strategy as a mediating mechanism between the organisation and its external business environment or between the internal and external contexts. Strategy is considered as consistent patterns in the streams of organisational decisions that enable the organisation to deal with the surrounding conditions and influences (Mintzberg, 1979). In this sense, strategic decisions reflect the interaction between an organisation and its business environment (Ginsberg, 1988). Thus, organisation strategy is the organisation's attempt to make strategic choices that optimise its internal capabilities and processes in response to business environment changes and pressures. However, identifying the factors and conditions that influence how strategic choices are made is one of the major challenges facing the researchers in this area (e.g. Hitt & Tyler, 1991; Papadakis & Barwise, 1997). Accordingly, the idea of this study came out as an attempt of putting together all conditions which drove the Iraqi industrial public sector companies to adopt restructuring as a strategic choice to meet the challenges of the changes in their business environment in order to account for how these companies made their restructuring choices. In this context, this research could contribute to the debate about the relationship between the organisation and its external environment and to the existing knowledge based on how strategic choices are made in the Iraqi public sector organisations, which are very rarely explored and even more rarely undertaken.

According to Johnson et al. (2011), the strategic choice is the core of strategic management. It is concerned with the strategic decisions about an organisation's future and the way in which it needs to respond to the pressures and influences, identified

through the strategic analysis of its current and future strategic position. As will be shown in the literature review in Chapter 3 of this thesis, it is clear that theoretical and empirical studies on how strategic choices are made have mainly focused on the relationship between decision-makers and the external conditions of the organisation. In the strategic choice-making literature, there are two opposite lines of research to which can resort for an understanding of how decision-makers make their strategic choices. The first is based on the belief that the external conditions of the organisation shapes its strategic choices and direction. The second suggests that decision-makers play an important role in determining the organisation's strategic choices and direction since they shape the management's perceptions of the organisation's external conditions and strategic situation. As for the managerial discretion theory, it attempts to reconcile these two different perspectives and stresses that the importance of top managers in the strategic choice-making process varies and depends to a great extent on internal and external factors in addition to the demographic and professional characteristics of the top managers.

The approach followed in this study was heavily influenced by the idea of the reconciliation between the above-mentioned two opposite standpoints of how strategic choices are made. This study has aimed to develop an understanding of how the restructuring choices of the Iraqi industrial public sector companies were made by exploring the role of both the external environment and the decision-makers of these companies in shaping these restructuring choices. However, during the fieldwork in the Iraqi industrial public sector companies, I realised that the way the strategic choice-making literature had theorised the key drivers of strategic choice-making did not help me to fully understand what I was observing. This gap between the literature and reality in Iraq was caused by the scarcity of studies of decision-making in Arab organisations in

general, particularly in the Iraqi public sector organisations. Choice-making theories have been developed in western countries and probably this is reason why these theories have not taken into consideration the abuse of organisational power and its impacts on shaping the organisation's strategic choices and direction. Therefore, I decided to investigate more and understand what was going on in the restructuring choice-making process in the Iraqi industrial public sector companies. Thus, the main aim of this research is to explore the key influences that shaped and determined the restructuring choice-making process of selected industrial public sector companies in Iraq. It is of academic importance to understand the key factors influencing the decision-making process in a rarely-explored context, and it is of practical significance as it may improve the quality of decision-making and performance of the Iraqi industrial public sector companies.

In order to fill the gaps between the existing literature on strategic choice-making and what this study found in the fieldwork, it was vital to extend the range of the literature review by elaborating on the idea of the abuse of power in the organisation and on the social and cultural values of Arab society and how these values shaped Arab management and decision-making style. The theoretical review suggests that the organisation is deeply embedded in the social and cultural context where it is established. Therefore, this context exerts significant influence on the organisation's members in terms of what they bring with them to their organisation such as values, beliefs, perceptions, behavioural norms, behavioural patterns and social relationships and ties. This study could relate the way in which the decision-makers of the Iraqi industrial public sector companies manage their companies and make their strategic choices to some of the social and cultural characteristics which are deeply rooted in the Iraqi society. Such a connection can contribute to the existing research conducted to identify the factors and conditions in which strategic choices are made by providing a clear picture of the influences which the

Iraqi social and cultural values are having on the Iraqi industrial public sector companies and their strategic choice-making. This research paves the way for an understanding of how the social and cultural values of the context in which the organisation operates influence making the strategic choices. This research is also an invitation for further research asking deeper questions about strategic decision-making in Arab public organisations, particularly in the Iraqi public organisations.

The Iraqi industrial companies which included in this study are the public sector companies that are completely owned by the Ministry of Industry and Minerals. These companies were selected according to a set of criteria. First, they were selected because they are the largest or the unique companies in their respective industrial public sectors. Second, they were selected due to their independence in making their strategic decisions, which means that the selected companies are financially and managerially independent from the Ministry of Industry and Minerals. Third, these companies were chosen because they adopted restructuring as their strategic choice to face the changes in the nature of their business environment that occurred after 2003. Fourth, in the selection of these companies, diversity was taken into account and thus the study involves five industrial public sector companies from four industrial sectors and four regions of Iraq in addition to the Ministry of Industry and Minerals – the owner of these companies. Taken together these criteria provide an improved representativeness, integrity and authenticity of the intended understanding of the phenomenon of interest.

Moreover, multiple data sources within and outside the Iraqi industrial public sector companies were utilised to collect the research data and to ensure its credibility. The first source consisted of thirty-nine top managers, who participated in the restructuring choice-making process in their companies, from five Iraqi industrial public sector companies. The second source was constituted of four key decision-makers from the Iraqi Ministry of

Industry and Minerals, who were responsible for monitoring and evaluating the performance of these companies. The third data collection source was five unofficial respondents from the middle management level in the five investigated companies. These five respondents volunteered to reveal some facts about the restructuring choice-making process in their companies. As for the fourth source, it was the researcher's field notes and research diary.

Though conducting qualitative research in the Iraqi context is definitely a worthwhile experience, it is simultaneously extremely difficult in some respects due to the current conditions of Iraq. The qualitative researcher needs to be fully aware of the complexities of the Iraqi context in terms of the nature of the Iraqi society, the security situation and the problems of infrastructure and public services. In the current study, the most important challenge was the security situation in Iraq. The selection of the companies under study was heavily influenced by the security considerations aiming at avoiding any risks. I selected five of the Iraqi industrial public sector companies which are located in relatively stable regions of the country and carefully avoided as possibly as I could the companies that are located in high-risk regions and those that are located in regions where the majority of the population belongs to a religious sect other than mine. However, despite all these procedures, I could not be isolated from the security risks there. For example, once I was involved in a car bomb explosion when I was heading to interview one of my respondents from the Textile-Co. On that day, eighteen car bombs exploded in the city at the same time and two of them exploded where the Textile-Co is located. One of these two explosions happened at a distance of two hundred meters from where I was.

In addition, it is worth mentioning that the preparation for the interviews in the Iraqi industrial public sector companies was not an easy task due to the lack of punctuality, which is very common in Arab society. There were very few respondents who were

committed to the schedule of interviews. Most of the time, there were respondents who postponed their interviews for hours or for days. Another difficulty was caused by disallowing the digital recording of the interviews. This entailed me to take notes to collect information when conducting the interviews. Above all, there were other challenges posed by some social issues. Familiarity with the way the Iraqi public sector organisations work, the way the Iraqi respondents think and behave and the way the Iraqi social structure works was a vital requirement for completing this study. To gain the trust of the participants, it was crucial for me to familiarise myself with the way things work around there. These issues are reflected in my field notes and research diary (see appendix A: Field Notes and Research Diary). In the research diary, I tried to do my best to describe my experience during the months of fieldwork in five Iraqi industrial public sector companies, namely the Construction-Co, Textile-Co, Petro-Co, Engineering-Co, and Rubber-Co in addition to the Ministry of Industry and Minerals.

1.2 The Problem and Rationale of the Study:

The purpose of this research has been developing an understanding of how restructuring choices were made in the context of the Iraqi industrial public sector companies by exploring and describing the role of the external environment, decision-makers (official and unofficial) and the social and cultural context in which these companies and their decision-makers operate, in shaping and determining these choices. To date, very limited research has been conducted on strategic choice-making in Arab contexts, especially in the Iraqi context. Elbanna and Child (2007: p. 581) stated that their study, which was conducted in Egypt, “is the first study to be reported on the strategic decision-making process in the Middle East region”. They sought to answer the question of what the key

influences on the strategic decision-making rationality are. They also recommended that additional research is still required to complete the answer to this question. As such, this research not only helps us understand how strategic choices are made in the Iraqi public sector organisations, but also goes a step further in answering an important question of why and how the social characteristics of a society affect the strategic decision-making in the organisation. Elbanna and Child (2007: p. 582) concluded that the challenge is to explore “why and how national characteristics affect the strategic decision making process, which will require an emphasis on decision makers’ sense-making through a qualitative methodology”.

As an Iraqi student in the field of strategic decision-making sponsored by the Iraqi government, I believe in the necessity of studying strategic decision-making in the context of the Iraqi public sector organisations to address and overcome the challenges they face in improving their performance and to improve the quality of the strategic decision-making of these organisations where I will work in when I finish my PhD.

Scholars (e.g. Hitt & Tyler, 1991; Papadakis & Barwise, 1997) have brought our attention to an important topic in the field of strategic choice-making, namely what factors and conditions in the internal and external environments of the organisation influence and determine how strategic choices are made. Knowledge of the contexts and conditions and of how people behave inside the organisation provides the material context for understanding the process of strategic choice-making. However, “despite the level of knowledge that has been accumulated over the years on the intricacies of decision-making and strategy development, there have been no attempts in the literature of strategic management to consolidate the diverse perspectives in the field in order to develop a more reflective theory that imparts better understanding on the process of decision-making” (George, 2008: p. 553). Moreover, there is no comprehensive theory

which has yet emerged to help management scholars to account for causation in the strategic choice and to impart a better understanding of it (De Rond & Thiétart, 2004; 2007). More specifically, we lack a theory of strategic choice warranted by reason (De Rond, & Thiétart, 2004; 2007). As such, the strategic choice-making research attempts to understand how strategic choices are made and to explore the forces, factors and conditions influencing this process. In the current research, I sought to understand this process in the context of the Iraqi industrial public sector companies and to explore the key factors, drivers and conditions that influenced the strategic choices of these companies. This study is an attempt toward a better understanding of how strategic choices are made.

The current study can contribute to the existing knowledge and literature on how strategic choices are made in one of the rarely explored settings of strategic decision making. The anticipated theoretical and practical value of the current study lies in the three aspects. First, it attempts to fill the gap caused by the lack of a theoretical and empirical research foundation on strategic decision-making in the Arab context in general and in the Iraqi context in particular. Second, it draws the attention to an important hidden factor which can determine and influence strategic choice-making in the organisation, namely the social and cultural values of the society in which the organisation and its top managers operate. Third, it integrates the advantages of elite interviews, ethnographic interviews and research diary, enhancing thereby the research depth and credibility and the diversity of the data sources.

1.3 The Thesis Statement:

An empirical understanding of the key drivers, influences and conditions that determined and influenced the restructuring choices of the industrial public sector companies in Iraq will aid public management in improving the quality of the strategic decision-making of the Iraqi public sector organisations. It is the intent of this study to open to debate the question of how strategic choices are made in Arab organisations, especially in the Iraqi public sector organisations. Extending and developing the proposed understanding is left to future research.

1.4 Research Questions:

This study was guided by the following primary research question: How were restructuring choices made in the context of the Iraqi industrial public sector companies?

To address this question, four secondary questions were explored, two of which had emerged before the fieldwork in Iraq based on the literature review on strategic choice-making. The other two questions arose from what the researcher found interesting during the fieldwork in Iraq:

Before the fieldwork:

- What was the role of the changes in the business environment of the Iraqi industrial public sector companies in making the restructuring choices of these companies?
- What was the role of the top managers of the Iraqi industrial public sector companies in determining the restructuring choices of their companies?

During the fieldwork:

- What was the role of the personal and factional interests of the powerful actors of the Iraqi industrial public sector companies in driving the restructuring choice-making process in these companies?
- What was the impact of the Iraqi social and cultural context on the patterning of the managers' decision-making behaviour in the Iraqi industrial public sector companies in the restructuring choice-making process?

1.5 The Structure of the Study:

This thesis is divided into nine chapters. Chapter 2, titled as “Introduction of Key Concepts and Theories”, will provide the reader with the basic theoretical background related to strategy, strategic decision-making, strategic decision-makers, the external environment and restructuring as a strategic phenomenon. Chapter 3: “Strategic Choice-Making Theories” will explore the existing literature on how strategic choices are made. It will explain the two opposite schools of strategic choice-making, namely the deterministic theory and the voluntaristic theory. Whereas, the deterministic perspective is based on the belief that the business environment of an organisation shapes its strategic choices and actions, the voluntaristic perspective stresses that the decision-makers of the organisation play a crucial role in determining its strategic choices since it is they who assess the strategic situation of their organisation. In addition, this chapter will explain the managerial discretion theory which is based on a reconciliation between the deterministic and the voluntaristic perspectives, whereby it suggests that the impact of decision-makers on choice-making varies and depends to a great extent on personal and contextual influences. Chapter 4: “The Use of Power in the Organisation” will explore the

use of power in the organisation. This chapter will shed light on the concept of power, the conditions of using power, the models of power and the sources of power in the organisation – with special attention to the organisational abuse of power and its effects on the strategic choice-making. The importance of this chapter lies in giving an insight into the dark side of strategic choice-making.

As for Chapter 5, titled as “Decision-making in Arab Organisations”, it will provide the reader with an insight into the context of the study. It will explore the unique characteristics of Arab society and culture and the manner these characteristics shape Arab management and decision-making style. Thus, Chapter 5 will give the reader an idea about the reality of decision-making in Arab organisations and how some of the characteristics of Arab society contribute to creating an ideal environment for the organisational abuse of power. Chapter 6: “Research Process and Methodology” will describe the research process and the methodology employed for the planning of and for conducting the empirical part of this study. To investigate the research problem and questions, mentioned earlier in this introduction, Chapter 6 will explain in detail the selected research design, sampling, and methods of data collection, data analysis and interpretation. The conclusion of chapter 6 will present an in-depth discussion of the ethical consideration and quality criteria which this study has strived to adhere to, in an attempt to enhance trustworthiness and to present a rigorous research study.

For its part, Chapter 7: “A Thematic Discussion of the Study’s Findings” will present and discuss the information and data collected from the selected industrial public sector companies and the Ministry of Industry and Minerals in Iraq in a thematic order. Chapter 7 will be discussed according to two key themes and sub-themes that emerged from the qualitative data analysis of forty-three elite interviews, five ethnographic interviews and the research diary. Whereas the first of them relates to the visible side of how the

restructuring choices of the selected Iraqi industrial public sector companies were made, the second focuses on the hidden side of this process. Chapter 8: “The Discussion and Interpretation of the Research Findings” will situate the study findings in the context of the existing literature with the purpose of relating them to the existing theoretical explanations in order to reach reasonable conclusions. The chapter will shed light on the reality of the restructuring choices of the Iraqi industrial public sector companies and will conclude with an explanation of how these restructuring choices were made in light of the visible and hidden drivers of these choices. Finally, Chapter 9: “Conclusions and Recommendations” will provide the reader with a summary of the major research findings in light of the research questions and purpose, as stated early in this first chapter of the thesis. Furthermore, concluding remarks will be made about the research process and the challenges I faced during the fieldwork in Iraq as well as the limitations of the study. In this chapter, the contribution of the study will be discussed and recommendations will be made for future research.

To conclude, the aim of this introduction has been offering an introductory overview of this thesis and giving the reader an overview of the content of this thesis. Moreover, this chapter explained the purpose of the study and the research problem and formulated the research questions. The next chapter will provide a basic theoretical background related to concepts associated with the phenomenon of interest.

Chapter 2

Introduction of Key Concepts and Theories

The objective of this chapter is to build an understanding of the key concepts associated with the phenomenon under study, focusing on the core theoretical and empirical perspectives. It is very important to note that this chapter does not seek to offer an exhaustive literature review. For the purpose of this study, however, this chapter seeks to concisely discuss the basic concepts related to strategic decision-making, strategic decision makers, external environment, and restructuring as a strategic phenomenon. Understanding these concepts will provide a good foundation to understand how they are conceptualised, to provide a basis for making the connection between core concepts, and to build our understanding of the phenomenon under study.

2.1 Strategic Decision-Making:

2.1.1 Corporate Strategy:

Strategy, according to Hart (1967), as a concept has its origin from a Greek word “strategos”, which means “general”. The term “strategy” was first used in the military science to describe the grand plan of action for winning a war. In the business arena, strategy as a concept has its roots in the field of business policy (e.g. Andrews, 1971; Hofer, 1975; Ansoff, 1985), and in the field of organisational theory (e.g. Chandler, 1962; Thompson, 1967; Child, 1972; Aldrich & Pfeffer, 1976). Strategy, in Chandler’s (1962) view, refers to the determination of the basic long-term goals and objectives of an organisation, and the adoption of courses of action and the allocation of resources necessary for carrying out these goals. For Hofer and Schendel (1978, p.5) organisation strategy is “the basic characteristics of the match an organisation achieves with its

environment". More specifically, Mintzberg (1979) described organisation strategy as a mediating force between the organisation and its relevant environment: consistent patterns in streams of organisational decisions to deal with the surrounding environment. An organisation's strategy, according to Galbraith and Nathanson (1978), Jemison (1981), Miles and Snow (1978), and Delmas, and Toffel (2008) determines the degree of fit between its external business environment and its internal organisational structure and processes. From this perspective, we can understand that organisation strategy is the organisation's attempt to optimise its internal organisational structure and processes in the face of business environmental changes and pressures. This perspective can help us to understand the relationship between an organisation's action and its external environment.

Johnson et al. (2011) define strategy as the direction and scope of an organisation over the long-term, which achieves advantage for the organisation through its configuration of resources within a challenging environment, to meet the needs of markets and to fulfil stakeholder expectations. In other words, by this definition, strategy is about where is the organisation going?, which markets should an organisation compete in and what kind of activities are involved in such markets?, what resources and internal capabilities are required in order to be able to compete?, what external, environmental factors affect the organisation's ability to perform and compete? what are the values and expectations of those who have power and influence in and around the organisation?. A strategy is therefore large scale future oriented activities that allow interaction with the external environment in order to achieve organisation goals. Thus, organisation strategy is the outcome of an analytical process and a strategic thinking process where top management takes strategic actions to improve organisational performance (Chandler, 1962; Ansoff, 1985; Jarzabkowski, 2008). Johnson, Whittington, and Scholes developed an important

model to understand the process of strategy-making. The model consists of three main areas arranged in a triangular form. They are: strategic analysis, strategic choice and strategy implementation, and all these areas are closely interlinked, as shown graphically in Figure (2-1):

Figure (2-1): Strategy-Making Model



Johnson, G., Whittington, R. & Scholes, K.(2011), Exploring corporate strategy : Text and cases, 9th ed, Financial Times Prentice Hall, Harlow

- Strategic analysis process is concerned with understanding the strategic position of the organisation in terms of its internal and external environment, and the expectations and purposes of stakeholders.
- Strategic choice process involves understanding the underlying bases guiding future strategy, and generating a range of strategic options for evaluation and selecting from among them.

- Strategy implementation process is concerned with the translation of the selected strategy into organisational action and behaviour through organisational structure and design, resource planning, and the management of strategic change.

Mintzberg, Quinn, and Ghoshal (1998) also refer to strategy as a pattern, they state that a strategy is the pattern or plan that integrates an organisation's major goals, policies and action sequences into a cohesive whole. A well formulated strategy helps to marshal and allocate an organisation's resources into a unique and viable posture based on its relative internal competencies and shortcomings, anticipated changes in the environment and contingent moves by intelligent opponents (Mintzberg, et al., 1998). Andrews (1971, p.13) define corporate strategy as "the pattern of decisions in a company that determines and reveals its objectives, purposes, or goals, produces the principal policies and plans for achieving those goals, and defines the range of business the company is to pursue, the kind of economic and human organisation it is or intends to be, and the nature of the economic and non-economic contribution it intends to make to its shareholders, employees, customers, and communities".

However, **Burnes** (2009) asks two important questions in relation to the task of defining strategy. The first question is: is strategy a process or the outcome of a process?. The second one is: is strategy an economic-rational phenomenon or is it an organisational-social phenomenon?". In order to be able to answer these two questions we need to have a theory that helps us understand how strategy is made. The literature review shows that systematic approaches to the strategy-making process contribute to our understanding of many aspects of this process. But, the process of strategy-making is not automatic; strategy is made by human beings on the basis of their knowledge, experiences, and their own values that influence their choices. The systematic approach to strategy-making,

therefore, is no more than a myth. In other words, the systematic perspective of strategy-making is idealistic more than realistic as it ignores the influences of decision makers on this process.

2.1.2 Strategy Content and Strategy Process:

In the organisation and management literature, strategy-making research has been distinguished into two broad categories: Strategy content research and strategy process research. This distinction has been introduced to the scientific field by authors such as Chandler (1962), Andrews (1971), and Ansoff (1985). Strategy content research deals with the content of strategies such as competitive strategies, diversification strategies, divestment strategies, merger strategies, and the relationships between the organisation and its environment (Elbanna, 2006; Elbanna & Child, 2007). Strategy process research focuses on the study of the process of strategy-making and the factors which determine it (Elbanna, 2006; Elbanna & Child, 2007). Strategy process research pays more attention to the factors and events that are detrimental to the process of strategy-making. Specific emphasis is put on the question, how the strategy is made rather than what it is or what it does. Strategy-making involves a complex and non-linear relationship between combinations of variables and influences that make up the picture of strategy. And one of the most important parts of this process is the individual decision maker, who has a unique combination of personal and managerial characteristics, and faces pressures from a number of different sources inside and outside the organisation.

2.1.3 The field of Strategy Process Research:

Authors in the field of strategy process research categorise and structure the strategy process research into two approaches. The first approach is the historical study of strategy

process research that is also often called the strategy model of the Harvard Business School (Andrews, 1971). In simplified terms, this view is based on the notion of fit between organisational capabilities and external influences or, in other words, the match between internal strengths and weaknesses and external opportunities and requirements.

In the second approach, the authors found that it is necessary to link the strategy process with specific phenomena rather than to rely on the historical view of strategy process research. The selected strategy-making process models were developed by authors such as Bower (1970), Quinn (1980), Mintzberg and Waters (1985), Hart and Banbury (1994) and others. The strategic agenda building was developed and extended by researchers such as Dutton & Penner (1983), Dutton and Ottensmeyer (1987), Ansoff (1980) and others. The strategic decision-making models were developed by authors such as Pinfield, (1986), Rajagopalan et.al (1993), Schwenk, (1995), Eisenhardt (1999) and others. Eisenhardt and Zbaracki (1992: p.17) point out that "central among strategic process issues is strategic decision making". Thus, strategic decision-making is firmly rooted in the field of strategy process research.

2.1.4 The Process of Decision-Making:

“Decision” is defined in the Longman English Dictionary as “a choice or judgment that you make after a period of discussion or thought”. From a theoretical perspective, it is defined as the process of selecting one option from among a set of options for implementation. From a management perspective, the decision is "an ongoing process of evaluating alternatives for meeting an objective, where expectations about a particular course of action impel the decision maker to select that course of action most likely to result in attaining the objective” (Harrison,1999: p. 5).

Management literature emphasises that the decision-making process relies to a great extent on information about the problem requiring a decision to address it. Mintzberg (1975) described decision makers as information gatherers, who reach strategic decisions after a structured process of careful consideration of surrounding circumstances, alternatives and potential outcomes. The availability and the quality of information enable decision makers to reach a deeper understanding of the circumstances and to choose the best possible alternative (e.g. Baum & Wally, 2003; Weirich, 2004; Hammond, Keeney & Raiffa, 2006).

However, a great deal of research has been conducted try to understand the process of decision-making and there is a large body of evidence indicating that decision-making is dynamic and that key decisions are not made in isolation but are influenced by internal, external, and personal factors. Simon (1965) states that the decision-making process should not be treated as an isolated event but as a complex social process that involves multiple factors working together.

2.1.5 Strategic Decision-Making:

Strategic decision-making has been given increased attention among various scholars and business experts (Ireland & Miller, 2004) since they reflect the interaction between an organisation and its surrounding business environment (Ginsberg, 1988). Mintzberg, Raisinghani and Theoret (1976) describe a strategic decision as one which is crucial, in terms of the potential to have a long-term impact on the organisation's competitive position, the actions taken, and the commitment of considerable resources. Strategic decisions affect the overall direction of the organisation (Quinn, 1980). Strategic decisions, according to Daft (2010), address issues that are crucial for the survival of an organisation. Therefore, they are those infrequent decisions made by the top managers of

an organisation about the strategic issues that critically affect an organisation's survival and success (Hickson, et al., 1986; Eisenhardt & Zbaracki, 1992). Such decisions are novel decisions and have no specific criteria, and no procedure exists for solving the problem confronted by the organisation (Daft, 2010).

Various scholars have described strategic decision-making as a structural process (e.g. Mintzberg, et al., 1976; Fredrickson, 1984; Hart, 1992), with a wide variety of different characteristics and dimensions (e.g. Stein, 1981; Hickson, et al., 1986; Miller, 1987; Bourgeois & Eisenhardt 1988; Hart, 1992; Dean & Sharfman, 1996; Wally & Baum, 1994; Papadakis, et al., 1998). Authors in the field of strategic decision-making (e.g. Lyles & Mitroff, 1980; Stein, 1981; Rajagopalan, et al., 1993; Dean & Sharfman, 1996; Sharfman & Dean 1998) identify four dimensions of strategic decision-making: Comprehensiveness/rationality, politicisation, centralisation and decentralisation, and formalisation.

- **Rationality dimension:** Fredrickson (1984) describe this dimension as the extent to which an organisation is exhaustive or inclusive in making its strategic decisions. This presupposes that sufficient information is available to enable strategic decision makers to choose among alternatives (Corner, et al., 1994; Baum & Wally, 2003; Nutt, 2005; Hammond et al., 2006). According to this approach, strategic decision-making can be characterised as the process comprising the following steps: a clear understanding of the nature of the problem that affects the organisation's performance; a clear understanding of the objectives to be achieved by solving it; comprehensive search of alternative solutions, assessment of their consequences; selection of the best alternative, implementation of the selected alternative; and monitoring its

consequences with respect to the initial goals and objectives (Heracleous, 1994; John, 2005; Griffin & Moorehead, 2010).

- **Political dimension:** It is argued that people in the organisation have different interests as a result of their personal, functional, hierarchical differences (Hickson et al. 1986). In the political perspective, an organisation is a coalition of interests that shapes the way it perceives and responds to its external environment since each is attempting to obtain something from the collectivity by interacting with others, and each with its own objectives (Cyert & March 1992; Pfeffer & Salancik, 2003). Authors of the political perspective (e.g. Browne, 1993; Harrison, 1999) argue that the process of decision making is based on the behaviour of individuals and groups in the organisation. According to this perspective, the characteristics of decision-making are:

1. Compromise and bargaining strategies of decision-making by which the organisation seeks ways for all to believe they have satisfied their interests and objectives. In another word, it seeks to find alternatives that are acceptable to all stakeholders.
2. Continual redefinition of the problem and solution since there is no right choice, only compromises. Therefore the results of decision-making are short-term rather than a long-term result.
3. Information is a resource for the ongoing redefinition of the problem and solution that gives individuals and groups power over others depending on how it is used to drive the process of choice-making.

- **Centralisation and decentralisation of decision-making:** this is the extent to which the locus of decision making authority is centralised in the top level of the organisation or is delegated to the lower-level managers of the organisation. The

locus of decision-making authority is the degree to which key decisions are made by higher-ranking individuals versus lower-ranking individuals in the organisation (e.g. Swamidass & Newell, 1987; Paswan et al., 1998; Daft, 2010). If top managers make the organisation's strategic decisions with little or no participation from lower level managers, then the organisation can be described as centralised (Robbins & Judge, 2013). In a centralised organisation, therefore, strategic decisions are made at a top level by a top management team or even by a single individual manager (Rollinson, 2002; Charles & Gareth, 2009). In contrast, the more that lower level managers provide input into the decision-making process or are actually given the authority to make key decisions, the more decentralisation there is (Mintzberg, 1983). In a decentralised organisational structure, therefore, the decision-making power is dispersed among more people at the lower management levels (Daft, 2010). Hofstede (2001) argues that in societies with high power distance, organisations tend to be centralised and the decision-making process is centralised in a few hands, while in societies with low power distance, organisations tend to be more decentralised and power is dispersed among more people at the lower management levels.

- **Formalisation / Standardisation:** Miner (2007), and Schermerhorn (2011) describes formalisation of the decision making process as the extent to which the process is explicit, usually compiled in written form. They argue that organisations as social structures, tend to introduce some kind of formalisation when having to deal with strategic issues that affect them. This ensures alignment between different levels and functions in the organisational hierarchy.

Various authors (e.g. Miner, 2007; Daft, 2010; Schermerhorn, 2011) explain that formalisation of the decision-making process may take various forms and shapes.

It could be a formal screening of decision-making that helps in deciding whether a specific decision should be further investigated before it can be accepted or rejected, a set of clear written procedures that guide decision makers step by step in the process of decision-making, a formalised procedure that could provide a tool to help decision-makers generate a set of alternatives, and a standard form or document that help decision-makers to make a final decision.

2.2 Strategic Decision Makers:

Generally, organisations are governed and managed by people who make the decisions that determine their direction. A decision maker is a person, or group of persons, who makes the final choice among the various alternatives. The strategic management literature identifies that the Chief Executive Officer, Top Management Teams, and Board of Directors are the key decision makers in organisations who can determine the decision-making process. The aforementioned main decision makers are presented and described below:

2.2.1 Chief Executive Officers:

The CEO is a top-ranking corporate position, “who has primary responsibility for setting strategic directions and plans for the organisation, as well as responsibility for guiding actions that will realise those plans” (Gioia & Chittipeddi, 1991: p. 434). Westphal and Frederickson (2001) found that the CEO has a direct influence on strategic direction and change in the organisation. The literature shows that there are a number of managerial roles that characterise CEOs. In the field of decision making, there are four decisional roles (Mintzberg, 1975):

- In the entrepreneur role, the manager constantly initiates change within the organisation. CEOs identify potential opportunities or problems and respond rapidly to deal with them.
- In the disturbance handler role, the manager deals with current and future threats that may have an impact on the organisation.
- In the resource allocator role, the manager is responsible for making decisions regarding where the organisation will expand its efforts and what resources will be expended.
- In the negotiator role, the manager represents the organisation at major formal negotiations. The top level manager bargains with the various stakeholders to gain certain advantages, and makes the decisions about the organisation as a whole.

2.2.2 Top Management Team:

The TMT refers to the group of CEOs responsible for the overall strategic operation of the organisation. In terms of how the TMT may act upon the environment, three roles of TMT are prevalent: symbolic, responsive, and discretionary (e.g. Pfeffer & Salancik, 2003; Finkelstein et al., 2009; Beckman et al., 2011).

- In the symbolic role, organisational actions are determined by the external environment of the organisation and top managers' actions have little effect. Symbolic role refers to managerial actions which make limited or no difference because outcomes are in reality determined to a great extent by the context.
- In the responsive role, top managers heed the pressures imposed by the external environment. It refers to actions which make a difference, even though they are chosen within the constraints created by external conditions. In this role, the top managers assess the external conditions, determine how to adapt the organisation

to cope with the constraints of the environment, and implement the selected adaptation actions.

- In the discretionary role, top managers actually attempt to influence and alter environmental constraints and demands. In this role, top managers attempt to shape their environment by engaging in mergers and acquisitions (e.g. Johnson, 1996), and taking various actions that alter the external challenges confronted by the organisation.

2.2.3 Boards of Directors:

Many scholars (e.g. Zahra & Pearce, 1989; Hill, 1995; Hung, 1998; Keenan, 2004; Monks & Minow, 2011) considered Boards of Directors as an important entity within the organisation that acts as a link between the internal and external stakeholders. A Board of Directors' principal responsibility is to ensure the good governance of the organisation, and therefore play an active role in the corporate governance. It primarily represents an organisation's external stakeholders, particularly in large public organisations (Hill, 1995; Dalton et al., 2003; Monks & Minow, 2011). The Board of Directors is considered as an opposing force against managerial behaviours that go against the interests of external stakeholders (Brennan, 2006; Monks & Minow, 2011). The Board of Directors, therefore, has the legal obligation to determine the organisation's overall strategy, and to ensure that adequate controls are in place to protect the interests of external stakeholders (Keenan, 2004). Thus, the Board of Directors can be regarded as an internal mechanism to monitor managerial performance and decision making in an effort to maximise the value of different stakeholders (e.g. Salmon, 1993; Fistenberg & Malkier, 1994; Keenan, 2004).

Considering all aspects of the above discussion, it is clear that there are many things that can influence an organisation's actions. Those things reflect different external and managerial influences. In the next chapter, I will provide an overview of existing theories on the impact of the external environment and decision makers.

2.3 External Environment and Influences:

In a sense, the external environment is everything outside of a particular organisation (e.g. Katz & Kahn, 1966; Duncan, 1972; Hall & Tolbert, 2005; Griffin & Moorhead, 2010; Daft, 2010). Attempts have been made by researchers over the years to describe the environment of organisations. Within the literature on external environments, two key perspectives have emerged (Tan & Litschert, 1994):

- The first considers the external environment as the source of information by which organisations perceive events, comprehend circumstances, and act successfully (e.g. Lawrence & Lorch, 1967; Duncan, 1972).
- The second perspective sees the external environment as a form of resource dependence in which organisations behave in a way consistent with the expectations of the organisation that provides their funding (Pfeffer & Salanik 2003). This perspective indicates that as the organisational environment becomes less munificent or more hostile, organisations are subjected to greater uncertainty (Tan & Litschert, 1994). The top management of organisations attempts to manage these conditions by utilising a range of strategic choices in order to reduce the organisation's dependence on, or increase its control over, these resources.

Moreover, various scholars of management hold diverse views about the concept of environment. Okoh and Munene (1986) suggested two views of perceived external environment in the organisation and management literature. The first is inter-organisational view, which sees the external environment of an organisation as a collection of person, groups of persons and institutions that impact on and / or are impacted by the organisation. The second view is that external environment is a combination of interrelated conditions including general, social, economic and technological conditions that together influence the organisational performance.

Furthermore, Grant (1999) and Daft and Samson (2009) state that external environment is the factors, forces, situations, and events outside the organisation that are relevant to the organisational goal setting and goal attainment which are taken directly into consideration by top managers of the organisation when making their strategic decisions. Thus, external environment is the combination of social, legal, economic, physical, and political factors both tangible and non-tangible that provide the backbone and lifeblood for the organisation's growth and development by providing a market and context for its work.

2.3.1 Environmental Factors and Organisational Strategy:

Organisational strategy has a strong connection to external environment. For decades the concept of strategic fit, which states that an alignment between an organisation's strategy and environmental factors results in superior performance, has driven strategic management thinking (Johnson et al. 2011). The foundation of this approach rests on an analysis of the external environment which is then matched and aligned with the organisation's internal capabilities (March & Simon, 1993; Johnson et al. 2011). The key function of decision makers in such a framework is to identify the strategic situation which must be evaluated and addressed (Miles & Snow, 1978; Ansoff, 1985). To evaluate

and address the strategic situation of an organisation, strategic management scholars (e.g. Bourgeois, 1980; Daft & Samson, 2009; Johnson et al. 2011) have classified the external environment into two groups, namely general and task business environmental factors.

The general environment is the outer layer of the external environment of the organisation – the dimensions that influence the organisation over time but often are not involved in day-to-day operations (Daft & Samson, 2009). It is a relatively remote environment and the factors that shape it have an indirect influence on the organisation's performance. This environment includes socio-cultural, technological, economic, legal-political and international elements (Grant, 1999; Daft & Samson, 2009).

The task environment is usually the environment that most organisations like to focus on because it is the closest environment of the organisation and the elements that made it is influencing the organisation directly (Asheghian & Ebrahimi, 1990; Johnson et al., 2011).

The task environment is the set of external forces that affect an organisation's ability to achieve its goals. These forces in the task business environment result from the actions of suppliers, distributors, customers, and competitors, and have a significant impact on the organisation's performance (Auster & Choo, 1993 ; Grant, 1997; Daft & Samson, 2009; George & Jones, 2011).

- Suppliers are the companies that supply the input raw materials and resources which are used by an organisation in order to produce its outputs. Changes in the nature, numbers or types of the organisation's suppliers may result in challenges and opportunities that require strategic rethinking of How the organisation should respond to these changes.
- Distributors are the individuals and companies that help the organisation distribute their outputs to its customers. Changes in the nature of the organisation's distribution system and methods can also bring opportunities and

threats to the organisation that affect its ability to meet its objectives and/or to carry out its strategy .

- Customers are the individuals, groups, and companies that buy products and services that an organisation produces. An organisation 's success depends on its ability to respond to the needs and expectations of its customers. Changes in the nature, number and types of customers or in customers' needs and preferences can result in opportunities or threats for the organisation.
- Competitors are the organisations that produce products and services that are similar to a particular organisation 's products and services. Customers' preference for the products of organisation s currently existing in the task environment plays an important role in creating barriers to entry of new organisations. If the established organisation s enjoy significant brand loyalty, a new entrant will find it difficult and costly to obtain market share and vice versa

In fact, organisations operate in an ever dynamic and changing environment. They have to adjust and adapt to changes in their business environment through a variety of strategic actions. As Miles and Snow (1994) pointed out, organisations that match their internal capabilities to their external environment can improve their performance and achieve their goals, while those that do not match their strategic situation cannot achieve their goals . Strategies are formulated to adapt to and respond to the changes in the environment the organisation operates in (Mintzberg, 1994; Johnson et al. 2011). With any significant change in the characteristics and conditions of the external environment, a significant change in strategy is required to keep the organisation in fit with its external environment and to achieve its goals.

Thus, organisations need to adjust and change their strategy as circumstances within and around them change. To cope with these changes successfully, decision makers need to form a perception of the key influences on their strategic choices. Based on the analysis-choice-implementation model that developed by Johnson and Scholes, monitoring and evaluating the external environment is an important issue for decision makers because changes in the factors of external environment imply changes in their strategy. Strategic analysis, according to Johnson and Scholes, is concerned with providing an understanding and evaluation of the strategic situation decision makers of an organisation are facing. There are a variety of tools by which decision makers can understand the strategic situation of their organisations. The most important analysis tools of the external environment and organisational strategy are the following (Johnson et al. 2011):

- **PESTEL analysis:** It is a framework or tool used by decision makers to analyse and monitor the macro-environmental factors that have an impact on their organisations. These macro-environmental factors comprise political, economic, socio-cultural, technological, environmental and legal factors. For decision makers, it is significant to analysis and understand how these factors are changing, drawing out implications for their organisations. Key drivers for change are the environmental factors likely to have a significant impact on the success or failure of organisational strategy.
- **Porter's five forces framework:** it is one of the most important strategic models used to assess the attractiveness of the industry. Porter defined an industry as a group of firms producing products that are close substitutes for one another (Porter, 1980). This model is defined by the five key forces which are threat to entry, threat of substitutes, bargaining power of buyers, bargaining power of

suppliers, and intensity of rivalry. The analysis of these five forces is highly significant in strategy formulation and evaluation of organisation's strategic situation as they determine an industry structure and the state of competition in that industry. According to Porter (1980), an attractive industry structure is one that offers good profit potential. The key assumption of this model is that where the five forces are high, industries are not attractive to compete in. There will be too much competition, too much pressure, and too much influences, to allow reasonable profit.

- **Strategic groups analysis:** it is an analysis for exploring competitive advantage and identifying the external factors that create and sustain competitive advantage in an industry. Strategic groups, according to Johnson et al. (2011), are organisations within an industry with similar strategic characteristics following similar strategies or competing on similar bases and face the same environmental forces. These organisations are not homogeneous within the industry and follow strategies common to the group, but different to organisations in other groups in the same industry. The strategic group analysis is useful in at least three ways. It enables decision makers to understand and analyse their competitors; their strategic opportunities; and the mobility barriers to move from one group to another.

2.3.2 Types and Dimensions of External Environments:

A starting point in the literature on the external environment and its dimensions is the work of Emery and Trist (1965). They suggest that organisations change according to environmental conditions. They develop a typology which identifies and describes four main types of organisational environments:

- The placid-randomised environment: this is the simplest type of environment. It is relatively unchanging and stable. It changes slowly over time and therefore reduces uncertainty.
- The placid-clustered environment: this is more complicated than the first type, since goals and noxiants (things to avoid) are not randomly distributed but hang together in certain ways. In this environment forces are linked with one another, and threats to the organisation are clustered rather than random.
- Disturbed-reactive environment: this is more dynamic than static. It is a clustered environment in which active competitors to the organisation exist. Therefore, strategy becomes even more important and changes are made in the internal organisational structure to ensure survival and effectiveness.
- Turbulent environment: In this type, the environment becomes most dynamic and has the highest levels of uncertainty. It is a complicated environment in which environmental variables are increasingly interrelated.

The study of Emery and Trist has directed the attention of researchers to the concept of external environment, its components, and its impact on organisations. According to Thompson (1967), the “environment” refers to “everything else”. Thompson (1967) utilised two dimensions to conceptualise the organisational environment: heterogeneity/homogeneity and stability/dynamism. The first dimension describes whether the variables in the external environment are similar to or different from one another. The second dimension describes whether the environmental variables are changing unpredictably and rapidly or are stable. This dimension reflects the degree of change present in the external environment.

Child (1972) conceptualised an organisation’s environment in terms of three key dimensions: environmental complexity, environmental variability, and environmental

illiberality. Child's first two dimensions were based on those of Thompson (1967). He similarly conceptualised complexity as the degree of heterogeneity and variability in the degree of change. Child's third dimension reflects the availability of resources in the environment. The environmental illiberality refers to the degree of threat that faces organisations in the achievement of their goals. Mintzberg (1979) added new facets to Child's dimensions. According to Mintzberg (1979), an organisation's environment can range from stable to dynamic, from simple to complex, from integrated to diversified, from munificent to hostile.

Aldrich (1979) combines insights from population ecology and resource-dependence theory to develop a model to describe the organisational environment. Aldrich (1979) identified the following six dimensions of external environments:

- **Capacity:** this is an important element of the external environment which addresses the main root of organisational dependence. It has been defined as the relative level of environmental resources available to organisations.
- **Homogeneity-heterogeneity:** the degree of similarity or differentiation between the components of the environment, including organisations, individuals and any social forces affecting organisational resources.
- **Stability-instability:** the degree of turnover in the environmental factors. Thus, external environments are stable when their key forces are not easily changed, whereas they are instable when their key components get easily changed.
- **Concentration-dispersion:** the degree to which environmental resources are evenly distributed over the environment or concentrated in specific locations. It is assumed that the higher the basic resources concentration, the better performance and survival chances of those organisations most closely linked and located to them.

- **Consensus:** the degree to which an organisation's claim to a specific domain is disrupted or recognised by other competitors.
- **Turbulence:** the degree to which organisational environments are being disturbed by increasing environmental interconnections. Thus, an organisations' adaptive capabilities and responsiveness will be higher within lower interconnected organisational environments, because they are less exposed to the influences of external factors, and the better organisations will be able to control their own fate.

Empirical work by Dess and Beard (1984) reduced Aldrich's six environmental dimensions to three:

- Environmental munificence, which is similar to the capacity dimension, refers to the ability of the environmental resources to support the sustained growth of an organisation (Dess & Beard, 1984; Sharfman & Dean, 1991; Baum & Wally, 2003). It is the level of resources available to firms from various sources of the environment (e.g. Child, 1972; Dess & Beard, 1984). Munificence enhances organisational flexibility and efficiency (Aldrich, 1979), limits external influences (Cyert & March, 1992), provides support to organisations to respond to external threats (Hambrick & Finkelstein, 1987), and increases choice. But, the lack of environmental munificence creates difficult and stressful conditions for decision makers to lead organisations and affects the growth and survival of organisation (Castrogiovanni, 1991; Wiersema & Bantel, 1993).
- Environmental dynamism, which is similar to the stability-instability and turbulence dimensions, is defined as the degree of change or market stability (Aldrich, 1979; Dess & Beard, 1984). It refers to the rate and the instability of environmental change (Dess & Beard 1984). Dynamism is often the product of changes in key environmental conditions and elements. Organisations in dynamic

environments face a high degree of uncertainty about external conditions and threats that affect their performance (Dess & Beard, 1984; March & Simon, 1993). In order to cope with this uncertainty, they have to achieve a "fit" or alignment with their environments (March & Simon, 1993).

- Environmental complexity, which is similar to the homogeneity-heterogeneity and concentration-dispersion dimensions, is an assessment of the range of skills, knowledge and information-processing capabilities that decision makers need to succeed (Dess & Beard, 1984). Organisations in complex environments are typically confronted with conflicting pressures from multiple stakeholders (Thompson, 1967). Since the expectations of stakeholders might vary, managing the internal and external stakeholders might require various skills and competencies that drive organisations to adopt more structural differentiation to meet these expectations (Pfeffer & Salancik, 2003).

2.4 Restructuring:

The relationships between organisation, strategy and business environment have been enduring themes of organisation and management research over the last 40 years (Clark, 2004), and restructuring has emerged as a critical mechanism in the successful adaptation of organisations to meet the requirements of their environments (e.g. Chandler 1962; Lawrence & Lorsch 1967). The 1980s were characterised by a wave of significant restructuring activities, such as downsizing, divestitures of businesses, sale or termination of a business line, and facility closure or consolidation at many large corporations in the US. This wave has become increasingly common during the 1990s (Lin, et al., 2006; Park & Kim, 2008).

The concept of restructuring has been the subject of considerable debate among scholars for many years. This is reflected in the variety of terms used to describe the phenomenon of restructuring. The general concept of restructuring is understood as significant changes in the organisation's assets, capital structure or organisational internal structure (Singh, 1993). The literature on corporate restructuring distinguishes three different types of corporate restructuring: portfolio restructuring, financial restructuring and organisational restructuring (Bowman & Singh, 1993; Gibbs, 1993).

- Portfolio restructuring refers to change in the portfolio of businesses of the organisation, to mergers and acquisitions, as well as to divestitures (Hoskisson & Johnson, 1992; Singh, 1993; Markides, 1995; Johnson, 1996; Bigley & Wiersema, 2002).
- Financial restructuring refers to the actions taken by the firm to change its financial structure (Johnson, 1996).
- Organisational restructuring is intended to enhance managerial efficiency through significant changes in organisational structure, internal re-organisations, or downsizing (Singh, 1993; Johnson, 1996).

As the restructuring choices of the Iraqi industrial public sector companies are about building new facilities and production lines, refurbishing and upgrading the existing facilities, selling business lines, closing or consolidating facilities and business units and offering some facilities and production lines for external investment, this study will focus on the concept of restructuring as the organisational changes that aim to create the strongest possible setup for the organisation, so that it can accelerate its growth, improve its performance, and reach its goals for the future. Restructuring is a purposeful strategic choice for organisation renewal (Brauer, 2006). These restructuring choices often occur

as part of organisational strategies intended to improve organisational efficiency, control costs, and adapt to an ever changing business environment (Lin, Lee & Peterson, 2006).

Restructuring as organisational change is a change in the structure of the organisation or provision of services. This change could include the restructuring of a business unit, transfer of services, closure or reduction of part or all of a production line or a particular function resulting in a decrease in the number of employees required or the relocation of all or part of a service (Johnson, 2004; Lin, et al., 2006). Restructuring is the process of moving from established to new ways of thinking, behaving and/or working (Clark, 2004). An organisation that is able to cope with change will maintain its productivity and relevance over time, while the organisation that is not able to change will become increasingly dysfunctional, unproductive and irrelevant (Lin, et al., 2006; Park & Kim, 2008). Moreover, an organisation in which change is not managed effectively will suffer greater costs – in terms of forgone opportunities, and productivity– than necessary when trying to change its internal capabilities to match with the external environmental factors (Singh, 1993; Elias, 2009). Modern organisations need to adapt to change in their business environment or they face the risk of losing their competitive position (Johnson, 2004; Elias, 2009). According to Damanpour (1987) and Jamali et al. (2006), technology developments, globalisation, dynamism, and uncertainty are some of the key environmental justifications for change that organisations nowadays face.

2.4.1 Key Drivers of Restructuring:

The literature on corporate restructuring reveals that there are two key drivers of corporate restructuring: organisational performance, and external business environment.

Each perspective has a different explanation as to why organisations engage in corporate restructuring.

- Poor managerial performance as a key driver of corporate restructuring has become the logical explanation in the organisation and management literature to account for the business restructuring activities of the 1980s. Contemporary organisations have been engaged in restructuring activities to improve their performance (Duhaime & Grant, 1984; Hoskisson, et al., 1994; Johnson, 1996; Markides & Singh, 1997). Restructuring decisions were made in response to a series of crises, brought on by inefficient managerial decisions, such as improper diversification, poor investment choices, and unprofitable capital investments (e.g. Bethel & Liebeskind, 1993; Johnson, 1996; Markides & Singh, 1997).

Therefore, restructuring strategies may be related to a change in the organisation's vision and strategy (e.g. Montgomery et al., 1984 Johnson, 1996) as a correction of its past strategic decisions and choices. Such restructuring strategies, for example, include decisions to enter or exit an industry, and to achieve growth in core businesses through the sale or termination of businesses, and/or facility closure or consolidation; or in a new business segment, through acquisition and/or new venture.

- In the context of the external business environment, literature on corporate restructuring shows that there are two key reasons for the phenomenon of restructuring. First, organisations engage in restructuring activities as a result of imitating the behaviour of other organisations in its sector that are engaged in the restructuring process (Markides & Singh, 1997). In other words, the restructuring strategies that are successful elsewhere can create incentives for organisations to engage in “isomorphic mimicry” (DiMaggio & Powell 1983). Second,

organisations engage in restructuring activities in order to cope with changing external demands and conditions (e.g. Chandler 1962; Lawrence & Lorsch 1967; Robinson & Shimizu, 2006). In this context, changes in the external business environment influence corporate managers to engage in restructuring actions to ensure effective business performance (e.g. Donaldson, 1985; Hoskisson & Hitt, 1990; Johnson, 1996). Restructuring choice was a critical mechanism in the successful adaptation of organisations to ever changing business environments and highly competitive markets (Ito, 1995; Eisenhardt & Brown, 1999). Bergh and Lawless (1998) examined environmental turbulence as a contextual condition shaping the strategic decisions the organisation makes. They found that organisations confronted with highly turbulent and uncertain conditions engage in restructuring strategies. I believe that the turbulent business environment is a crucial part of the context in which we may best understand the phenomenon of restructuring choice-making in public sector organisations in Iraq.

2.4.2 Restructuring as Strategic Phenomenon:

There is no doubt that restructuring is a strategic phenomenon. The following three assumptions underlie such a view (Zajac & Kraatz, 1993, Hayward & Shimizu, 2006):

1. Strategic restructuring is a response to changing environmental conditions (DiMaggio & Walter, 1983; Zajac & Kraatz, 1993). Such a view is based on the fact that restructuring is a strategic reaction of an organisation to a major disruption in its environment. As the external environment changes, organisation cannot effectively continue to perform in the same manner as in the past with the same internal structure, with the same process, with the same equipment, with the same staff, and with the same ability (Druckman et al., 1997).

2. From an adaptation point of view, which emphasises the importance of an actively managed strategy/environment fit, the assumption would be that restructuring in response to changing environmental conditions is a key to performance improvements (Zajac & Kraatz, 1993). This view is notably supported by a large body of literature showing that the alignment between the internal and external environment of the organisation helps enhance its performance, and that organisations need to maintain such an alignment. This “fit” between internal and external environments is assumed by contingency theorists to be necessary for high organisational performance (Donaldson, 1996). They found that if the business external environment of an organisation changes, then the organisational structure should also change. In other words, external change requires internal organisational adjustments.
3. Contemporary organisations face internal and external pressures for a strategic adaptive response to continually improve their efficiency and effectiveness, and so many of them seek to respond by engaging in strategic restructuring actions to do so (Hoskisson, et al., 1994; Johnson, 1996; Markides & Singh, 1997; Das & Basu, 2004).

Taken together, these assumptions express the idea that restructuring is a strategic phenomenon. This phenomenon starts when there are environmental changes and pressures that will directly or indirectly affect many businesses, many of whom respond by restructuring their businesses to enhance their performance (Zajac & Kraatz, 1993).

Chapter 3

Strategic Choice-Making

Strategic choice is a key component of the strategy formulation process. Johnson et al. (2011) state that strategic choice is the core of strategic management. They explain that it is concerned with strategic decisions about the future of an organisation and the way in which it needs to respond to the pressures and influences identified through the strategic analysis of its current and future strategic position. Researchers (e.g. Hitt & Tyler, 1991; Papadakis & Barwise, 1997) have drawn the attention to the problem of identifying the influential factors and determining the conditions in which strategic choices are made. In the management literature, there are two opposite schools of thought on how strategic choices are made. Whereas the first is based on the belief that the external environment shapes strategic choices, the second suggests that decision-makers play a critical role in determining organisational choices since they shape management's perceptions about the external environment of the organisation. In addition to these two schools of thought, there is the managerial discretion theory which attempts to reconcile the opposite aforementioned theories and suggests that the impact of decision-makers on choice making varies and depends strongly on external, internal and individual factors. This chapter discusses the importance of decision-makers and the roles they play in determining how strategic choices are made, paving the way for understanding based on these theories.

3.1 Deterministic Theories:

According to the deterministic perspective, strategic actions show adaptation to environmental characteristics. Such a point of view is the starting point in the literature on environmental determinism. Many scholars (e.g. Starbuck, 1976; Donaldson, 2001) have

claimed that the external environment's characteristics have an impact on the process of choice-making. Much work has been done to determine how environmental characteristics influence this process. Two theories have been discussed in the literature to explain choice-making: external control theory and rational normative theory.

3.1.1 External Control Theory:

This theory concentrates on organisations and their existing structures (e.g. Hitt & Tyler, 1991). It argues that environmental characteristics have a key impact on organisations and organisational behaviour, and that making decisions about organisational structure and strategy is heavily influenced by external variables. Therefore, the success of strategic choices is to great degree influenced by the characteristics and conditions of the external environment (Pfeffer & Salancik, 2003). This perspective is derived from two theories: Organisation theory and industrial organisation theory.

3.1.1.1 Organisation Theory:

Organisation theory is the academic discipline that studies the structure and the design of organisations. It can help us understand what organisations are, how they behave in a given environment, and how they respond to different conditions (Narayanan & Nath 1993; Jones, 2013). Organisation theory including contingency theory, resource dependence theory, and organisational ecology theory provides the basis for an external control perspective (Jones, 2013).

- The contingency theorists (e.g. Chandler, 1962, Lawrence & Lorsch, 1967; Donaldson, 2001) propose that a better fit between environmental characteristics and the organisational structure improves organisational performance. The external variables such as size, organisational environment and its change over time, influence

organisational strategy and structure and, thus, have a significant impact on organisations (e.g. Lawrence & Lorsch, 1969; Duncan, 1972).

- The resource dependency theorists (e.g. Aldrich, 1979; Pfeffer & Salancik, 2003) link organisational structure to the external environment's resources such as customers, suppliers, financial markets, labour markets and other external stakeholders. They argue that organisations are dependent on and restricted to their environment's resources and have to adapt and cope with the external environment (Aldrich, 1979). From the perspective of resource dependence, the organisational structure and choice of an organisation are based on the degree of complexity of the external environment, and therefore the role of the top managers is to ensure the alignment of the internal situation of the organisation to the external situation (Bourgeois, 1984). Based on this perspective, the manager can be seen as a symbol of the organisation and its success or failure.
- Population ecology theorists (e.g. Aldrich, 1979; Hannan & Freeman, 1984) argue that managers are limited in their choices to cope and adapt to the challenges posed by the external environment due to organisational internal inertia. Organisational inertia can be defined as the resistance of an organisation to make changes and an organisation's inability to quickly and effectively react to external change (Milliken & Lant, 1991).

3.1.1.2 Industrial Organisation Theory:

Industrial organisation theory, as well as other economics-based theories (e.g. Bain, 1956; Porter, 1980) focuses on environmental factors, such as the impact of marketplace changes on organisational performance. The industrial organisation theorists argue that an organisation cannot influence its industry sector, nor its performance. Under this view, changes in the

organisation's industry structure (such as changes in the number and size of competitors, new technologies, changes in regulation and changes in customer) determine an organisation's behaviour and action, which in turn influence its performance.

3.1.2 Rational Normative Theory:

The rational normative theory rests on the foundation that within certain boundaries, top managers show rational behaviour (Simon, 1979). The rational normative theorists suggest that decision makers must consider and analyse the organisation's external forces and conditions (Pearce & Robinson, 2007). They assume that decision makers use a set of objective criteria to analyse the external environment. Rational theorists (e.g. Porter; 1980; Ansoff, 1985) intend to make normative recommendations on how decision should be made. They assume that top managers must analyse both external environment (opportunities and threats) and internal environment (strengths and weaknesses) in formulating their strategic choices. Such an analysis of the organisation's environment is referred to as a SWOT analysis. This analysis provides information that will be then subject to rational judgment on the part of the decision makers.

Several scholars (e.g. Cyert & March, 1992; Agor, 1989) claim that the characteristics of an organisation's environment have a significant influence on the rationality of choice-making, but the empirical evidence is contradictory. The findings of some studies (e.g., Fredrickson, 1984; Fredrickson & Mitchell, 1984; Fredrickson & Iaquinto, 1989) suggest that the rationality of choice-making is particularly beneficial for organisations that operate in stable environments and harmful for those that operate in dynamic environments. They stress that that organisations existing in stable circumstances have rational-comprehensive processes of decision-making. In contrast, the findings of other studies (e.g. Miller & Friesen, 1983; Bourgeois & Eisenhardt, 1988; Eisenhardt, 1989; Judge & Miller, 1991; Goll & Rasheed,

1997) suggest that rationality of choice-making is the key to higher organisational performance in dynamic environments. They stress that organisations operating in high velocity environments have to rely on a rational process of decision-making to reduce uncertainty.

These contradictory findings suggest the need to improve our understanding of the role of external conditions in shaping organisational actions. In the next section, I will review key literature on the impact of external conditions on choice-making.

3.1.3 The External Environment and its Impact on Strategic Choice-Making:

In fact, as we discussed in Chapter 2, several attempts have been made to describe the external environment. It seems that Dess and Beard's theory (1984) is the most popular approach for conceptualising and measuring the dimensions of the external environment (Sharfman & Dean, 1991, Boyd & Gove, 2006). Dess and Beard's (1984) perspective may help us to gain a better understanding of the external environment and its impact on choice-making. They identified three dimensions of task environments: complexity, dynamism, and munificence.

3.1.3.1 Environmental Complexity:

A complex environment refers to the number of environmental factors that influence an organisation's strategy (Thompson, 1967; Wang & Chan, 1995). Environmental complexity is an assessment of the range of skills, knowledge and information-processing capabilities that decision makers need to make their strategic choices (Dess & Beard, 1984).

In complex, changing environments, organisations are typically confronted with conflicting pressures and opposing interests of stakeholders (Thompson, 1967). Understanding and

managing their expectations might require various managerial skills and competencies, and capabilities that force organisations to have a differentiated top management team (e.g. Mintzberg, 1979, Pfeffer & Salancik, 2003, Jansen et al. 2009). A complex environment requires radical internal changes in the organisations which in turn affect a wide range of organisational activities and functions (Russo & Fouts, 1997). Coping with environmental complexity requires organisations to adapt and change at an accelerated pace (Burke, 2011). Organisations operating in complex environments adopt comparatively complicated internal structures (Tang, 2009). From this perspective, these organisations may show a range of internal complexity, depending on their top managers' perceptions of external conditions (Tang, 2009).

Environmental complexity has been closely associated with the information-uncertainty perspective (e.g. Lawrence & Lorsch, 1967; Thompson, 1967; Duncan, 1972). Complexity, according to Lawrence and Lorsch (1967), is the driver of environmental uncertainty. According to Duncan (1972), the degree of uncertainty perceived by decision makers increases with the increasing complexity and change they face in their organisations' task environment. Decision makers operating in complex environments will encounter great difficulty in identifying the key strategic factors associated with the changes in their organisations' external circumstances and to use valuable resources and capabilities (e.g. Duncan, 1972; Dess & Beard, 1984). According to Dess & Beard, (1984), environmental complexity is conceptualised as the degree of heterogeneity in the external environment. Organisations in complex and changing environments face problem-solving situations where decision makers need to work cooperatively in team situations to solve these issues and therefore these organisations require a larger and more heterogeneous top management team to cope with these complex circumstances (Zenger & Lawrence, 1989). A heterogeneous top management team is likely to develop diverse interpretations and

understanding of the strategic situation of their organisation (Hambrick, et al., 1996). In simple environments, according to Zenger and Lawrence (1989), this heterogeneity is not needed and it might cause conflict.

3.1.3.2 Environmental Dynamism:

Environmental dynamism refers to the rate of change and the degree of instability of the external environment (Dess & Beard, 1984). In dynamic environments, organisations to some extent show homogenous elements of their external conditions that enhance their ability to cope with uncertainty (March & Simon, 1993). According to Thompson (1967), dealing with environmental uncertainty is the central challenge for decision makers. Galbraith (1995) noted that the greater the degree of uncertainty, the greater the amount of information that must be processed among decision makers during the process of choice-making. Uncertainty, according to Galbraith (1995), can be defined as the difference between the amount of information required to make strategic choice and the amount of information already possessed by the organisation. Thus, top managers can reduce uncertainty by filling the gap between the information needed to make a strategic choice and the information at hand.

Dynamic environments might affect both the heterogeneity and size of top management team. They are unpredictable, devoid of patterns and regularities (Dess & Beard, 1984). It can significantly affect the way organisations are designed and function, and also can affect the composition of top-level decision-making bodies (e.g. Pfeffer & Salancik, 2003). Environmental dynamism might provide the organisation with the ability to continuously improve itself, by shaking up current ground rules, by reordering external resource structure, and by weakening inertial forces (e.g. Barnett & Carroll 1995).

According to Mintzberg (1973), dynamic environments increase the heterogeneity of the top management team and increase the fragmentation of their work, and consequently enlarge the information-processing demands in the process of choice-making (e.g. Kotter, 1982; Daft, et al., 1988; Eisenhardt, 1989). As the environment of an organisation becomes unstable, decision makers have to increase the quantity and range of information absorbed and recalled (Shaw, 1981, Pfeffer & Salancik, 2003), the multiple perspectives on a strategic situation can help open up decision makers' minds to see more possibilities (Finkelstein & Hambrick, 1996; Keck, 1997; Finkelstein et al., 2009). Therefore, different perceptions and greater information-processing abilities are needed to adapt to the requirements of dynamic environments (Bantel & Jackson, 1989; Haleblian & Finkelstein, 1993).

3.1.3.3 Environmental Munificence:

The final dimension of Dess and Beard's (1984) measure is environmental munificence. According to Dess and Beard (1984), munificence is defined as the extent to which the external environment of an organisation can support sustained development and growth. Environmental munificence also describes the level of external resources available to support organisational growth (Tan, 1996). Thus, environmental munificence is the degree to which the external environment of an organisation has an abundance or scarcity of critical organisational resources that support and sustain its development (Dess & Beard, 1984; Castrogiovanni, 1991).

Researchers (e.g. Lieberman & O'Connor, 1972; Dess & Beard, 1984; Yasai-Ardekam, 1989) found that munificence is positively associated with strategic choices and alternatives available to organisations. When organisations operate in an environment where resources are abundant, it is relatively easy for organisations to survive and grow. In contrast, when organisations operate in an environment where resources become scarce, the competition

between organisations becomes more intense and adversely affects organisational profitability, slack, characteristics and also the behaviours of members within the organisation.

Environmental munificent gives strategic decision makers a wide variety of strategic choices on how they can respond and how to compete (Dess & Origer, 1987). McEvily & Zaheer (1999) argued that a munificent environment offers the opportunity to the organisation to obtain necessary resources for the development of additional capabilities that increase its competitive advantage. The availability of external resources favours changes in organisational structures to improve their performance and to develop a proactive strategy to ensure an organisation's long-term growth (Aragón-Correa & Sharma, 2003), and therefore organisations operating in munificent environment tend to hire more executives to improve the process of strategy-making (Williamson, 1963), as is the case in the Arab Gulf states. In contrast, organisations that operate in scarce environments tend to downsize their workforce (Hofer, 1975), as is the case in countries that suffer from economic crises. Therefore, environmental munificence can play an important role in shaping strategic choices that organisations need to make to survive and grow.

3.2 Voluntaristic Theories:

Voluntaristic theories were developed in opposition to deterministic theories, and stress the importance of the role of top management in shaping organisational choices (Cannella, 2001). Generally, there are two schools of thought describing the rationality of the decision-maker. The strategic choice theory (e.g. Child, 1972) generally assumes that the decision maker is rational and makes the optimal strategic decision that maximises the organisation's value, whereas the upper echelon theory (e.g. Hambrick & Mason 1984) has its basis in the behaviour theory of the organisation (e.g. Cyert & March, 1992), and emphasises the effects

of decision makers on strategy-making process. In this section I discuss the two perspectives that can help us to understand the role of decision makers in the process of strategic choice-making.

3.2.1 Strategic Choice Theory:

The strategic choice theory (Child, 1972) suggests that strategic decision makers, as the dominant coalition, have significant control over an organisation's future direction. According to Child (1972), the decision makers follow a rational process in order to make their strategic choices. Firstly, they evaluate their internal and external environment in which they operate, considering their organisation's competitive position, the needs and expectations of their stakeholders, change in their organisation's external conditions, and their prior beliefs and experiences that fuel their ideas and shape their view of how to solve the problems. Based on these considerations, the decision makers set organisational goals and objectives, and finally select the strategic action that achieves these goals. In doing so, organisations adapt to forces in their environments that are fixed and shape the remaining elements to achieve their goals (Bourgeois, 1980; Porter, 1985). From this point of view, the strategic choice theory is similar to the deterministic perspective in terms of the rational action of decision makers, but the key difference is that decision makers have the freedom to set their organisation's goals and objective in the strategic choice theory, whereas, in deterministic theory those goals are forced on them by external forces (e.g. Carpenter, et al., 2004; Pansiri, 2007). Thus, scholars of the strategic choice perspective have become aware of the limitations of this perspective in relation to the external environment, but maintain that that key decision-makers have considerable freedom and control over their organisations' future direction.

Since 1972, however, the principles of strategic choice theory (Child, 1972) have been developed further. Child (1997) extends the notion of constraint to three types of limitations to choice-making: Action determinism, restraints from intra-organisational political process, and ambiguous information. Child (1997) states that action determinism is an outcome of environmental conditions, but it is a misleading oversimplification to claim that the environment simply is an external determinant of organisational action. The internal processes play a significant role as they shape and differentiate the organisational action and choice within the same environment (Child, 1997). The inter-organisational power shapes the organisational strategic action, whether it is used to overcome resistance to the strategic choices of dominant coalition in the organisation or to facilitate them. Top managers' preferences, experiences, and rational considerations that drive them to make strategic choices may prompt them to choose to ignore certain information in the environment to overcome the challenges and threats (Child, 1972). It is a fundamental principle of managerial choice to either attend to or to ignore certain information in the organisation's environment, depending on decision makers' judgment that determines what type of information needs to be considered when selecting the organisational action.

3.2.2 Upper Echelon Theory:

In contrast to strategic choice theory, demographic characteristics, values, cognitive abilities and perceptions of decision makers are central to the upper echelon theory (Hambrick & Mason, 1984). The core belief of upper echelon theory is that decision makers create a “construed reality” of the organisation’s strategic situation based on values, cognitive abilities and perceptions of top executives that determine their choices (Herrmann & Datta, 2006).

The upper echelon theory (Hambrick & Mason, 1984) has its roots in the work of March and Simon (1993), and Cyert and March (1992), who applied the theory of bounded rationality to

explain organisational behaviour. According to the theory of bounded rationality theory, top executives are often unable to make rational decisions since they are cognitively limited and must act in a complex social context of conflicting interests and goals. The upper echelon theory extended these ideas to explain that managerial cognition and values directly or indirectly effect organisational action. Hambrick and Mason (1984) argue that decision makers make strategic choices on the basis of their managerial values and cognitive bases and that the organisation becomes a reflection of its decision makers. They state that strategic choices are partially predicted by decision makers' demographic characteristics. Specifically, they stress that top managers cannot scan every aspect of the external conditions, but rather make sense of the strategic situation based on their managerial background and cognitive bases. In other words, the strategic choice is made based on decision makers' evaluation and perception of the strategic situation they are facing combined with their values. Thus, Hambrick and Mason's (1984) theory of upper echelons is based on three central principles (Wiersema & Bantel, 1993; Carpenter, et al., 2004; Pansiri, 2005):

- Strategic choices made in organisations are reflections of the values, cognitive abilities and perceptions of top executives.
- These values, cognitive abilities and perceptions are a function of the decision makers' observable characteristics such as age, functional background, and education level.
- Strategic choices are associated with the observable characteristics of the strategic decision makers.

Accordingly, the organisation could be a reflection of its decision makers who have the power to shape its direction. Thus, according to this perspective, strategic decision makers' characteristics are important determinants of organisational choices (Pansiri, 2007). The next section will deal with two integrative theories that link together the opposing views of deterministic and voluntaristic theories of choice-making.

3.3 Managerial Discretion Theory:

This theory attempted to bridge the gap between the opposing theories of deterministic and voluntaristic on how much impact decision makers have on strategic choice-making. It claims that the impact of decision makers on their organisation's course of action varies and crucially depends on moderating factors inside and outside the organisation. Hambrick and Finkelstein (1987) introduced the managerial discretion theory as a concept to account for the freedom of managerial action. The essence of this theory is that managerial discretion differs significantly from decision maker to decision maker, so the strategic choice depends on who is making it. They argue that managerial discretion emanates from three levels: the environment level, the organisation level, and the individual level. The environment level is the extent to which the external environment allows a decision maker to make strategic choices and exert control over his or her managerial action, while the organisation level is the extent to which the organisation itself can influence the discretion of decision makers. The individual level is the extent to which the decision maker personally is able to fully explore the organisation's strategic situation and to choose the appropriate strategic action.

The organisation's external environment confers managerial discretion to the degree that there is less constraint and more means-ends ambiguity (Finkelstein & Hambrick, 1996; Hambrick, 2007, Finkelstein et al. 2009). Therefore, uncertain and dynamic environments offer high levels of managerial discretion, since constraints are relatively absent in these environments. On the other hand, powerful external forces limit management's alternative choices (Hambrick & Abrahamson, 1995).

In addition to the organisation's external conditions, the internal forces and the characteristics of the organisation may influence the discretion of decision makers. Hambrick and Finkelstein (1987) argue that an organisation's size, age, resources, procedures and strong culture create organisational inertia that limit managerial discretion. Inertia in an

organisation precludes a decision maker's discretionary strategic choices, since internal forces largely determine the direction of the organisation (Tushman & Romanelli, 1985). For example, large organisations are much more likely to have difficulty undertaking radical change (Aldrich, 1979), as they are more likely to have established organisational procedures, rules, routines, and hierarchical relationships (Nelson & Winter, 1982). As with powerful external conditions, powerful internal forces such as corporate governance, routines, capital intensity, size, age, and culture can also limit the discretion of the decision makers.

Finally, the characteristics of decision makers are likely to influence their level of discretion. This influence can vary significantly from decision maker to decision maker, depending on the demographic characteristics, values and cognitive abilities that shape his or her personality. Scholars (Hambrick & Finkelstein, 1987; Hambrick, 2007) argue that effective decision makers are top executives who possess great vision, often able to create business opportunities that others cannot. Decision maker's individual attributes leading to managerial discretion include tolerance of ambiguity, aspiration level, locus of control, cognitive complexity, power base, political acumen and commitment (Hambrick & Finkelstein, 1987). More specifically, decision makers with higher aspiration levels are more likely to engage in broader search behaviour and consider more courses of action, while higher tolerance of ambiguity and greater cognitive complexity are more likely to allow a larger discretionary set of strategic choices to top executives. Decision makers with an internal locus of control are more calculating in their strategic choices (Lefcourt, 1982; Thomas et al., 2006), and they are more likely to translate their perceived control into actions (Hambrick & Finkelstein, 1987). Moreover, decision makers with a strong power base and high level of political acumen are able to influence the actions and outcomes of their organisations. In contrast, those with a high level of commitment are unable to exercise discretion, as it hampers their ability to generate alternatives.

Moreover, in an empirical study, Wasserman et al. (2001) propose the contingent opportunities view, which shows that the effect of decision makers varies by context. They argue that, given that decision makers vary in their demographic characteristics, values and cognitive abilities, their actions are more likely to have a varied impact on the performance of the organisation they control. They found that the situations in which decision makers have the most significant impact on organisational action are those where opportunities in the sector are scarce or where they have slack resources. Furthermore, they found that, because decision makers are active agents, their personal gains have a significant impact on their organisational action.

However, agency theory (Jensen & Meckling, 1976) suggests that decision-makers act as active agents of the organisation, but their personal interests may not match the interests of the organisation. The theory assumes that decision makers are self-interested individuals and have high discretion. Therefore, if they are poorly governed, they act in self-interested ways contrary to the interest and welfare of their organisations.

In this chapter, three sets of choice - making theories, the deterministic theories, voluntaristic theories, and managerial discretion theory, were presented and discussed. For the purpose of this research, next chapter will shed light on the use of power in organisations. In particular the abuse of power that intend to generate personal gains.

Chapter 4

The Use of Power in the Organisation

Power is a fundamental condition for the successful performance of organisations, and it is formally given to those actors who have formal positions in the organisational hierarchy of their organisations. According to Mintzberg (1983), power is a key factor, one that cannot be ignored by any researcher interested in understanding how organisations function and how individuals function within organisations. Power, however, can be exercised outside the areas of authority that is given to the organisational actors for the pursuit of personal interests and goals as I noticed in my fieldwork in Iraq. In this chapter, I will attempt to shed some light on the use of power in the organisation, its conditions, its sources, and its influence on the decision-making process. In particular, I am going to provide evidence of power abuse in the organisation to influence its actions and choices. This chapter will play an important role in shaping our understanding of choice-making in the Iraqi industrial public sector companies.

4.1 The Concept of Power in Organisations:

Weber's definition of power as a relational phenomenon is widely adopted by scholars in the field of organisation. According to Weber (1966), it is the possibility of imposing one's will upon the behaviour of others. In other words, power is the ability to influence the action and behaviour of others, individuals or groups. From this point of view, power exists within the context of relationships between the members of an organisation (Golden & Zajac, 2001; Clegg et al., 2006).

Thus, a powerful organisational actor has the capability to move others, and to prevail over another's resistance in order to accomplish a specific goal or to engage in specific behaviour (Lynall et al., 2003; Shen, 2003). Consequently, power involves the possibility of exercising authority over others to achieve specific goals (Cannella & Shen, 2001). It is an actor's

ability to influence others to carry out his or her directives or any other norms he or she supports (Clegg et al., 2006). Powerful actors have also the ability to overcome their opposites (Pettigrew, 1973). Furthermore, they consistently perpetuate their power and preserve their control over the organisation (Pfeffer, 1997; Adams et al., 2005).

As power is the ability of powerful actors to control the behaviour of others, even against their will (Weber, 1964), it represents a form of domination that aims to ensure personal and group interests. From this point of view, power should be seen as an ongoing conflict of interests inside the organisation. Every influential actor has the capacity and discretion to make use of power to guide and control the various activities of the organisation and maximise his or her interests (Beetham, 1991; Hardy & Clegg, 1996, Clegg et al., 2006). Inside the organisation, the powerful actor can be considered as a socio-political force capable of imposing his/her will on others (Pfeffer, 1997; Combs et al., 2007). These political dynamics are seen as an ongoing conflict between organisational actors in privileged structural positions (Pfeffer, 1997).

According to Mintzberg (1983), power has the ability to affect either the strategic choice-making inside organisations or the organisational actions related to those choices. Power-holders can use their power to achieve individual and group goals by forcing other actors to attain these goals (Akella, 2003). Accordingly, they can decide what is important, what goals to pursue and how to achieve them in a way that is not inconsistent with their personal goals and benefits. In this sense, powerful actors have the capacity to promote their interests and influence decisions of other organisational actors. Thus, less powerful actors are forced to act in a way that contradicts their values and beliefs.

The importance of decision makers and the roles they play in organisations is largely based on the authority they hold. Management literature (e.g. Pfeffer, 1981; Mintzberg, 1983) distinguishes between formal and informal power within the organisation. Formal power

is specific authority, responsibility, rights, or privileges that is legitimately derived from one's position in an organisation. Power holders have the ability, through authority, to make things happen without opposition and to cause their subordinates to attain specific organisational goals (Hersey et al., 2011). In contrast to formal power, informal power is a power that is not legitimised by the organisation. Its holders have the ability to purposely influence the attitudes and behaviour of other organisational members (Bigley & Wiersema, 2002). It is derived from personal or social strengths, and is that it usually leads to abuse (Pfeffer, 1981; Eisenhardt & Bourgeois, 1988). At the same time this does not necessarily mean that the formal type of power is not abused and is used in an appropriate manner. It is a human being's nature to seek his or her own interests as a priority.

Power is the ability of one person or group of persons to control the behaviour of others, even against their will (Weber, 1964). It is at the same time a significant and problematic force in the organisation. Decision makers need power to manage their organisations and to make their strategic choices, but at the same time they have to make use of their power responsibly. Power is, therefore, an important and problematic dimension of organisational life. According to Pfeffer (1994), decision makers need power to overcome organisational inertia and break down barriers to fulfil the organisation's strategic goals.

However, decision makers may use their power for purposes other than the benefit of their organisations. Inside organisations, power may work as an instrumental tool to achieve personal preferences and goals, but that requires appropriate internal conditions to be exercised (Pfeffer, 1981; Golden & Zajac, 2001; Combs et al., 2007). Therefore, managerial autonomy at a high level of the organisation and acting opportunistically to take advantage of others' dependency creates the ideal internal environment for power abuse (Vredenburg & Brender; 1998).

Power is a key concept in organisational life, as it allows its holders to achieve individual and group goals. The exercise of power gives prestige and influence to the decision maker, and frequently reinforces him or her in seeking personal gains by taking advantage of his or her position (Kipnis, 1972; Pfeffer, 1981). From this perspective, power involves the ability to influence the behaviour of others (Weber, 1964), to influence the organisational actions and choices (Clegg et al., 2006), and to achieve individual and group goals through formal and informal means (Pfeffer, 1981; Vredenburg & Brender; 1998). Moreover, the abuse of power in the organisation specifically thrives when the organisation operates in difficult conditions, in which decisions often are made on the basis of personal discretion and perception (Vredenburg & Brender; 1998; Clegg et al., 2006).

As we discussed in chapter 3, focusing on strategic choice-making, the focus of the literature has mostly been on the importance of decision makers and the roles they play in shaping an organisation's strategic action. This point of view focuses only on the formal, and official action of decision makers, ignoring the non-formal, and unofficial use of power in organisations and its effect on strategic choice-making.

Organisational life, as a mirror of life itself, is the arrangement of relationships between individuals and groups in a society. It is argued that it is social influence and social power that allows a decision maker to use his or her position to advance personal goals at the expense of others (Cialdini, 1993; Stiles, 2001; Clegg et al., 2006). By controlling the decision making responsibilities, information channels, resource distribution and allocation, powerful dominant coalitions can shape strategic choices in their preferred directions (Maitlis, 2004; Combs et al., 2007).

4.2 The Conditions of Using Power:

Pfeffer (1981) argues that there are three conditions within the organisation that are considered as organisational antecedents of power conflict:

- **The condition of interdependence:** It is a relationship in which each organisational actor is mutually dependent on the others. Managerial activity is interdependent in nature, as it is the outcome of one form of organisational structure or another (Finkelstein, 1992). Power as a form of control over the organisation's direction and decision-making. Therefore, it gives its holders the ability to exert control over the decision-making process, the organisational agenda, the set of strategic alternatives to be considered by the decision makers and the exchange and flow of information between them.
- **The condition of heterogeneous goals:** This condition refers to goals which vary with each actor. Different organisational actors have different goals, interests, and ambitions; they form a dominant coalition in the organisation creating barriers or resistance to achieving a goal. Accordingly, they have a considerable effect on the process of choice-making in their organisations.
- **The condition of scarcity:** This is the condition in which the organisation has limited resources and cannot satisfy the need of all the organisational actors. This condition raises conflicts of interest inside the organisation, and therefore influential power is granted to those actors who control resource allocation and distribution.

Clearly, these conditions can originate conflict inside the organisation, which in turn leads to the existence of political dynamics, as conflicting personal and group goals cannot possibly be achieved at the same time (Pfeffer, 1997; Maitlis, 2004). Finding the balance between the contradictory goals of organisational actors is, to a great degree, dependent on how the

organisation is structured and how crucial is the decision that they have to make (Tushman, 1977; Finkelstein, 1992).

As we seek to deepen our understanding of strategic choice-making in Iraqi industrial public sector companies, it is necessary to understand how power is exercised and the context in which organisational actors operate. Moreover, it seems clear that powerful actors play a crucial role in the process of strategic choice-making. If we consider that they have the capacity to promote their interests, and influence decisions of other organisational actors, we then need to pay close attention to the sources and means through which powerful actors have the capacity to impose their will upon others.

4.3 Models of Power in Organisations:

Many theories in organisational behaviour have been developed to account for the relationship between organisational actors. Astley and Zajac (1991) discussed three models of explanation, which are considered by many as the cornerstone in the attempt to understand power in organisations:

- **Coalitional model of power:** Following a resource dependence theory (Pfeffer & Salancik 1978), power often comes from the ability to supply valuable resources for the organisation, and therefore it is the outcome of complex resource transactions among organisational units (Pfeffer & Salancik 1978; Hackman, 1985; Astley & Zajac, 1991). According to this model, a powerful actor has the capacity to succeed in situations of internal conflicts over the use of organisational resources (Maitlis, 2004). Controlling resources inside the organisation allows an actor to generate dependence in others.
- **Rational model of power:** This model assumes that organisational actors within an organisation work together to achieve intended goals. From this point of view, power

can be defined as a tool to achieve these goals (Astley & Zajac, 1991). Power is regarded as the key to gain influence inside the organisation depending on the importance of the role that the organisational actor plays in the collective performance of the organisation as a whole (Akella, 2003; Clegg, 2006). Thus, the more importance an actor has, the more power he or she has to influence the whole action of the organisation (Stiles, 2001; Akella, 2003; Clegg, 2006).

- **Adaptively rational model:** According to this model both position importance and resource dependence influence the decision-making process and organisational action (Astley & Zajac, 1991). Inside organisations, the actor's power comes not only from their ability to extract resources from their organisations' environment, but also from their functional importance for the performance of their organisation (Stiles, 200).

However, if an actor is capable of affecting goals, values, and choices of other actors, this actor has a positive power over the others and influential personal ties in the organisation (Pfeffer, 1981). This view is consistent with James and Jones's (1976) theory of social networking in which they argue that the authority belongs to the actor or group of actors at the centre of the social network where they can control the activity of other actors. They have the capacity to control the agenda, the information flow and access, and to affect the outcome of decision-making process. Therefore, it is true that abuses of power are more likely to occur where there are excessive concentrations of power.

4.4 Sources of Power in Organisations:

Finkelstein (1992) identifies four sources of power an actor can potentially use to influence others in the organisation:

- **Structural power:** Power derives from holding a formal position in the organisational hierarchy. Power is associated with the upper levels of the organisational hierarchy and entails a type of authority in which power is legitimised by law or written rules and regulations that define the rights and obligation (Adams et al., 2005; Clegg, 2006). Thus, power belongs to the position an actor holds, not to the actor as an individual, and therefore is highly respected and recognised by other actors within the organisation.
- **Ownership power:** Power belongs to those organisational actors whose interests are aligned with shareholders' interests (Finkelstein, 1992), and therefore exercise owners' power over other actors.
- **Expertise Power:** This is the ability to influence others by being more experienced and knowledgeable than others (Finkelstein, 1992). The expertise in the sector increases the ability of the organisational actor to contribute to organisational success. Thus, an influential actor is likely to be someone with a broad knowledge and experience of the sector that gives him or her the ability to manage challenging situations (Finkelstein, 1992; Daily & Johnson, 1997).
- **Prestige power:** This is derived from the positive perception that organisational actors have? Power based on his or her reputation and personal characteristics. Accordingly, the personal prestige of an actor can play a key role in getting the support of other organisational actors (Hambrick & Fukutomi, 1991; Finkelstein, 1992).

Accordingly, factors such as the charisma of decision makers, the organisation's internal environment and the kind of culture in which decision makers operate, and the characteristics of the members of the organisation can influence choice-making in the organisation. Some scholars (e.g. Pettigrew, 1972; Adams et al., 2005) believe that being at the top of an

organisation and at the centre of its information flow is the main reason to justify the “psychological centrality” of the top managers. Psychological centrality refers to what is important to an individual based on what he or she regards as desirable or preferred from his or her own point of view (Stryker & Serpe 1994). Thus, if a powerful actor is interested in maintaining the existing situation of the organisation to achieve personal goals, he or she can compromise the organisation's ability to meet its strategic objectives and to survive periods of difficult conditions (Daily & Dalton, 1994; Maitlis, 2004). Accordingly, power orientation in the organisation determines who has the capacity to influence the process of choice-making and the organisation's orientation (Finkelstein & D'Aveni, 1994).

4.5 The Use of Power in the Organisation:

It is observed that in pursuing their interests and goals, influential actors adopt a variety of forms of political behaviour combined with the use of informal power to influence others (Ravasi & Zattoni, 2006). Usually such political behaviour involves forming coalitions with other organisational actors and pursuing different actions such; a purposeful filtration of information, controlling vital departments in the organisation, setting targets of organisational performance that serve their interests, setting up employment contracts that protect their personal interests, organising their succession in a way that serves their interests, ignoring criticism from other actors, and mobilising support for their strategic orientation (e.g. Hambrick & Fukutomi, 1991; Ruigrok et al., 2006). Political behaviour is an integral part of organisational life (Kacmar & Ferris, 1993), and of the process of decision-making (Ravasi & Zattoni, 2006). All of these political actions are clearly intended to pursue personal benefits and goals that could conflict with the organisation's interests.

Some scholars refer to social influence as an expression of political actions that intends to shape and influence organisational actions and choices. Wade et al. (1990) argue that social

influence is a way through which powerful groups of organisational actors can exert influence and pursue their own goals and interests. These actions of organisational actors that associated with the use of the informal power and are intended to create an organisational situation in which ties of personal obligation between organisational actors could be used opportunistically to affect the behaviour of other actors (Krackhardt, 1990, Gargiulo, 1993). By building coalitions with other individuals or groups who have similar interests and goals in the organisation, the powerful actor can overcome the possible opposition to his or her strategic choices (Hackman, 1985; Hambrick & Fukutomi, 1991).

Moreover, scholars (e.g. Hambrick & Fukutomi, 1991; Shivdasani & Yermack, 1997) emphasise that the power of organisational actors increases over time as their ability to control decision-making or influence events in the organisation increases. When the individual actor is new in an organisation, he or she joins an existing top management team that he or she must adapt to its context, altering his or her own system of values, beliefs, and attitudes. Over time, this actor is able to nominate new organisational actors who are loyal to him or her, and thus increasing his or her level of influence over others. Organisational actors gain influence and power over time as they gain more control over decision-making in the organisation, and over the behaviour of other organisational actors (Hill & Pan, 1991). This influence and power increases more and more over time, until it seems as if the entire organisation is under the control of the most powerful actors.

In this chapter, I have attempted to understand the use of power in the organisation, its conditions, its sources, and its influence on organisational direction and performance. In particular, I shed light on power abuse in the organisation to influence its strategic actions and choices. It is clear that the abuse of power is one of the most important factors that can influence choice-making in the organisation, but at the same time it requires a context that allows it to exist, and to be exercised. Therefore, the next chapter will explore social and

cultural issues underpinning Arab management styles and discuss to what degree they support the abuse of power in Arab organisations.

Chapter 5

Decision-making in Arab Organisations

Despite the socio-economic importance of Arab countries and despite the unique characteristics of Arab society, literature on managerial practices in general, and strategic decision-making in particular, in Arab organisations is scarce. Considering the unique characteristics of Arab society, the emerging question now becomes “what type of decision making style is used by Arab managers?”

Research on the Arab world shows that Arab societies have some characteristics, such as the tribe and religion, which distinguish it from other societies and play a much bigger role in shaping the personality of the Arabic individual. In this context, researchers illustrated Arab management styles that originate in the tribal and Islamic culture that is characterised by traditional bureaucratic, top-down structures and an absolute power culture.

The tribal style of Arab management consists of hierarchical authority, a set of rules and regulations by which the organisation is governed that is contingent to a great extent on the power of those who make them. It also relies on their personality, priority given to personal relationships and considerations over organisational ties, goals, and performance, a high level of uncertainty in decision making, and prevailing patriarchal cultural biases. The Islamic style of Arab management puts emphasis on the ethical behaviour of the leader. In this situation the leader is a great person who applies Islamic values in his behaviour and action.

Much of the recent research on Arab organisations has applied cross-cultural comparative approaches to try to gain an understanding of Arab management styles. These studies indicate that Arab organisations face significant organisational and managerial problems as a result of cultural influences. These perspectives of Arab management style will be the key focus of this chapter to explore precisely what type of decision-making style is used by Arab managers. Moreover, this chapter focuses on Hofstede's (1984) work, which included Iraq

and five other Arab countries, to further our understanding of cultural influences on decision-making in Arab organisations.

5.1 Characteristics of Arab Culture:

As many scholars have noted, finding a single definition of culture is extremely difficult as there are as many meanings of this term as people using it (Ajiferuke & Boddewyn, 1970). One of the most widely used definitions of culture is the one suggested by Brake et al. (2003) who defined culture as the fundamental values, attitudes, beliefs, and ways of thinking which are deeply rooted in the views of a society of how the world works and how people are to interact with the world. Thus, culture is a combination of the characteristics of the members of a particular society, defined by everything from language, religion, social norms and values, and gives them a sense of an identity and heritage that distinguishes them from other societies (Hofstede, 2010; Gary, 2012). Accordingly, Arab culture is a term that draws together values, attitudes, beliefs, and ways of thinking found in Arab countries, especially those of the Middle-Eastern countries.

Barakat (1993) defines an Arab person as one who is a citizen of an Arab country, whose language is Arabic, and who has a fundamental knowledge of Arabian tradition, that is, of the core values and belief systems of the culture. In another words, Arab people are defined by their culture, which means being an Arab person is being someone whose model of life or mother culture is Arabic. Research on the Arab world (e.g. Almaney, 1981; Hickson & Pugh, 2001; Weir, 2005; Barakat, 2008) observe that Arabic language, Islamic religion and culture and the social structure are the distinguishing characteristics of Arab society. Ali and Azim (1996), however, observes that Arab countries have been subjected to varying sources of external influence that have shaped the birth of modern Arab culture, and cause cultural discontinuity between Arab generations and their mother cultural values and heritage.

Moreover, Barakat (1993) emphasises that the nature of Arab cultural values is influenced by the conflict between the traditional and modern values of Arab society. Accordingly, Barakat (1993) identifies some characteristics of Arab culture that help us better understand the decision-making style in Arab organisations in general, and Iraqi organisations in particular:

- **Fatalism:** This is a religious belief that we are not free to choose our own actions and that the future is determined by fate.
- **Conformity:** This is a type of social behaviour, involving the act of matching attitudes, beliefs, and values to group norms.
- **Past-oriented:** In Arabic culture there is a strong belief in the significance of prior events. Arab society is concerned with traditional values and ways of thinking and doing things, instead of searching for new ways.
- **Culture of the heart:** Arab people are driven by emotions rather than rationality as a sources of action.
- **Closed-mindedness:** Close-minded individuals are often intolerant of the beliefs, values, and culture of others.
- **Collectivity:** Arab culture is characterised by loyalty as evidenced by the appearance of strong/close groups such as family, tribe and sect.
- **Obedience:** This is a form of social influence in which an individual or a group of individuals acts in response to a direct order from another individual, who is usually a figure of authority. For example, one of the Iraqi Baath party's slogans was "Do, then discuss".
- **Charity:** This is a religious belief that rich people are obliged to respond to the needs of less fortunate members of the community, and to mitigate the consequences of social injustice and inequality.

- **Vertical society:** Arab culture assumes that individual people are importantly different from each other. It is based on hierarchy rather than equality. It is common in the Arab societies that people have social ranks that have to be respected, which reflects the pressure of the social groups such as families and tribes on individuals' behaviour.

This notion of Arab culture, based on the characteristics described above, helps in explaining the Arab management style and the managerial practices in an Arab organisation on the assumption that the core values and belief systems of the culture affect individuals' behaviour in organisations.

5.2 Management Style in Arab Organisations:

Researchers on the Arab management style (e.g. Al-Faleh, 1987; Hickson & Pugh, 2001; Weir, 2005; Ali, 2009) believe that there is considerable evidence that management and managerial practices in Arab organisations are unique and fit the characteristics of Arab society. Weir (2001) emphasises the unique characteristics of Arab society, and identifies managerial practices in Arab organisations as together constituting a "fourth paradigm" of management values, styles and behaviours besides the three most well-known paradigms (American, European, and Japanese paradigms). Weir (2005) emphasises that the components of the Arab paradigm are rooted in the Islamic, social, and political systems of Arab countries. Weir (2001) argues that the ideas of democracy, equality, justice, and participation may be somewhat alien to the Arab culture in which family, tribal, and sectarian loyalties are significant.

Scholars (e.g. Hickson & Pugh, 2001; Ali, 2009) found that the major influences that shape the style of Arab management are: language, history, Islam, traditional tribal values, and

external cultural values that western countries bring into the Arab countries. Therefore, it is argued that there are three styles of Arab management:

5.2.1 The Tribal Style:

As it is understood, before the emergence of Islam in the Arab community, Arab society was based on trade, and members were living in a tribal society. As a result of their life-style within the tribal society, and of their need to cooperate with each other to protect their trades and tribes from dangers, their loyalties were centred on the family, tribe, or group they were part of (Sharabi, 1988; Ali, 1996). Therefore, all members of the family must obey the family patriarch and respect his wishes and his decisions (Sharabi, 1988). This applies to the tribe where the tribal chief has absolute power in the tribe and is responsible for the members of his tribe (Sharabi, 1988).

Power and dependency are the fundamental internal features of the patriarch structure of Arab society. The vertical relationship of the Arab family manifests the father's absolute power, while other members of the family are subordinated to him (Sharabi, 1988; Barakat 1993). The common form of communication in the Arab family is a downward communication where information comes from the family patriarch directing his family members, and often take the form of orders, instructions, and warnings (Sharabi, 1988). This dependency is deeply rooted in the Arab family, where the family patriarch is largely the breadwinner of his family (Barakat, 1985). It leads to a high level of subordination which is the opposite of a democratic form of relationships among members (Sharabi, 1988; Barakat 1993).

Scholars (e.g. Sharabi, 1988; Gregg, 2005) believe that tribalism is deeply rooted in the management systems of Arab organisations. They argue that the tribal style of Arab management can be explored by considering characteristics of family loyalty and commitment; authority, power, and loyalty to tribe; over concentration of authority and power in one person; patriarch social relations and love of prestige and self-importance.

5.2.2 The Islamic Style:

The birth of Islam in the Arabian Peninsula represented the formation of a new Arab community where many of the values, norms, and ideas of the previous Arab society were changed to a large extent. Islam stresses the importance of group unity and cooperation, but it emphasised that these values should go beyond the individual tribal structure to include all Muslim communities (Ali, 2005; Ali, 2009). Islam provides rules for a complete way of life that organises and governs all aspect of human life ranging from personal and family matters to social, economic, and political issues (Sharabi, 1988; Ali, 2005). Weir (2001) argues that Islamic values have had a significant effect on philosophy, education, culture, attitudes, and ways of thinking within the Arab societies.

Management from an Islamic point of view is defined as, the ability to effectively and efficiently utilise both material and human resources, in order to achieve goals and objectives, be they short or long term (Ali, 2005 & Abbasi, et al., 2010). As Islam believes in life after death and the blissful after life for those who serve God, the best managers or leaders are those who are concerned with the affairs of life and the hereafter (Abdalati, 1978; Abbasi, et al., 2010). For example, Imam Ali who had helped the Prophet Mohammed in the establishment of the foundation of Islam said: “Work for your life as if you will live forever, and work for your afterlife as if you will die tomorrow”. This puts emphasis

on both the material and spiritual dimensions of life, which could be seen as unique characteristics of Arab management (Khadra, 1990; Ali, 2005).

However, although Islam influences every aspect of Arab culture, it appears that Islamic rules are being used to legitimise tribal values (Barakat, 1993). From this perspective, Islam is often used to serve individual interests and protect tribal values rather than as a religious belief system. Scholars in the Arab world (Ali, 1996, Abbasi et al., 2010) believe that even though Islamic religion is against tribalism, Arabs over time have skilfully merged Islamic values with tribal ones, so that it is difficult to distinguish between them.

5.2.3 The Contemporary Style:

More recently, studies done on Arab leadership and management have employed a cross-cultural comparative approach to understand managerial practices in Arab organisations (Hofstede, 2010). Ali (2009) emphasises that the existing theories, concepts, practices of management are to some extent new to Arab management and organisations. According to him, Arab organisations are characterised by high levels of bureaucracy and formality. Some Arab management scholars (e.g. Ali, 2009) believe that Arab organisations imitate Western organisational structures and management practices blindly without drawing attention to the distinctive features of Arab culture. Thus, Arab countries have imported Western laws, practices and structures but traditional values and practices have been retained (Cunningham & Sarayrah, 1993; Barakat, 1993). Hofstede (2010) found that characteristics of Arab culture are manifested in managerial practices, thoughts, and decision-making. Arab management, according to Hofstede (2010), has a strong tendency towards a paternalistic style of management where everything revolves around one person at the top of the organisation. In other words, Arab managers demand absolute submission from their subordinates, and do not

allow others to take any action without permission first. Moreover, Arab managers tend to rely more on regulations, rules, and procedures to manage uncertain and unpredictable situations (Sabri, 2004). At the same time they assign duties, responsibilities, and delegate authority according to their personal relationships and judgment, as a way to maintain and strengthen their power over the organisation (Khadra, 1990; Ali, 1996). Arab management style is a strict patriarchal one, characterised by high hierarchical authority and high bureaucratization, subordination of efficiency and responsibility to personal relationships (Dorfman & House, 2004; Ali, 2009; Hofstede, 2010). Arab managers typically are inconsistent in their implementation of the rules, procedures, and regulations, and contingent to a great extent on the power of those who make them and their personality (Dorfman & House, 2004).

In Arab organisations, the personal relationship prevails over task, and management is the management of groups that stem from an Arab cultural background that has a collectivist orientation (Dorfman & House, 2004; Hofstede, 2010). In this sense, the relationship between superior and subordinate is to great extent perceived like a family relationship, hence, loyalty to their family or tribe is actually stronger than their ties to their organisations (Weir, 2001; Hofstede, 2010). It is the duty of everyone to be loyal to his family and tribe, and to serve their interests when he assumes a powerful position or holds high responsibility within a private or public organisation (Anwar & Chaker, 2003; Sabri, 2004). In this context, it is widely agreed that the key characteristics of Arab managers that shape the Arab management style are self-protective, self-centred, face-saving, status-conscious, conflict-inducing, unwilling to delegate authority, giving priority to personal relationships and considerations over organisational ties, goals, and performance (e.g. Weir, 2001; Dorfman & House, 2004; Sabri, 2004; Ali, 2009).

5.3 Decision-Making Style in Arab Organisations:

The Islamic and tribal styles of Arab management lead to expectations that the patriarchal social system characterising Arab society contributes, among other factors, towards explaining the style of decision-making in Arab organisations, particularly in terms of the centralisation of decision making in the hands of one or few persons, and the lack of delegation to lower levels.

The available studies of Arab management suggest that the most common approach to decision making in Arab organisations is a mix of directive-consultative approaches (Muna, 1980; Ali, 1989; Abdalla & Al-Homoud, 2001). In Arab organisations, participation in decision making at the highest level mainly takes the form of consultations between the top manager and his subordinates, but the final decision is usually made by the top manager based on his belief and assessment of the situation (Ali, 1989). The higher levels of Arab management do not genuinely delegate responsibility and *power*, to those at lower levels, and in turn, lower levels of Arab management have the tendency to encourage concentration of power at the top of hierarchy (Muna 1980; Al-Faleh, 1987).

Arab decision-makers have a strong tendency towards consultative style of decision-making which demonstrates the influence of Islamic values in all aspects of life (Ali, 1989; Abdalla & Al-Homoud, 2001; Kabasakal & Bodur, 2002). This style in Arab organisations is derived from the concept of Shura (Abdalati, 1978), which is a system of mutual consultation imposed by the Quran which orders the Prophet and the governor to consult citizens in their daily affairs. However, although this process is conceptually ideal and seen as an information gathering mechanism, and also offers a form of representation and participation, in practice a few selected group of people, who have special social status and power, are merely consulted (Muna, 1980; Tayeb, 1997). Moreover, although consultation in the Islamic world can be part

of the process of decision-making, decisions are never made jointly and are not delegated to the lower levels (Tayeb, 1997).

Al-Faleh (1987) who studied the cultural influences on Arab managerial development concluded that status, position and seniority are more significant than managerial ability, performance and achievement in Arab organisations. He found that in most Arab organisations, there is an excessive lack of delegation and this leads to decision-making being confined to the upper levels of the hierarchy. Hence, in Arab organisations, decisions emerge instead of being made through a formal process. In addition, consultations in Arab organisations are usually done informally on a one-to-one basis, rather than collectively.

The purpose of consultation in Arab organisations, according to Abdalla and Al-Homoud (2001), is mostly to satisfy the egos of the organisational actors involved in the decision-making process rather than to improve the quality of the decision. Ali (1989) argues that the consultative style of decision making in Arab organisations is a pseudo-consultative style in which decision makers consult their subordinates before decision making, but do not consider their input. Arab decision makers use this consultative style to create a supportive and cohesive environment for themselves (Ali, 1989). On the other hand, subordinates expect to be consulted about decisions in Arab organisations, but they do not expect participation in the decision-making process (Muna 1980).

Moreover, Arab management uses a top-down directive style of decision-making rather than the delegation of power (Ali, 1989). According to Muna (1980) and Ali (1989), this style of decision-making in Arab organisations is a reflection of the tribal values, practices and relationships which are deeply rooted in Arab society. Arab management researchers (e.g. Muna, 1980; Bjerke & Almeer, 1993) studied the decision-making behaviour of Arab decision-makers and concluded that the top-down directive style of decision-making, in addition to the consultative style, is the most dominant approach to decision-making in Arab

organisations. These researchers detected a strong relationship between this style of management and the social and cultural influences. Muna (1980) suggested that in Arab organisations, the concept of participation in decision-making is unlikely to be adopted since this concept is alien to Arab culture. In this sense, the social and cultural background play a crucial role in shaping the managerial practices, capabilities and choices.

Organisations are embedded in social-cultural contexts that shape collective and individual behaviours, and exert significant influence on the organisation in terms of what the organisation's members bring with them to their organisations such as values, beliefs, attitudes, and customs (Hofstede, 2010). Previous research stressed that organisational behaviour, managerial practices and decision-making style emerge from the specific cultural context of a particular society (Hofstede, 1984). Hofstede's (1984) much-cited study of comparative management exploring cultural dimensions across 40 cultures, including Iraq and five other Arab countries, identifies four cultural dimensions that can help to understand managerial practices and decision-making styles in Arab countries.

Power distance: A measure of the degree to which members of a society expect and agree that power should be unequally shared and concentrated at higher levels of an organisation or in the hands of one person. This type of culture prefers a more autocratic structure in which one person holds all the power, so that problem-solving and decision-making are associated only with the top-level managers of the organisation. In an organisational context, this cultural dimension reflects the degree of participation in decision-making within the organisation. In high power distance societies, such as Arab societies, participation in decision-making may not be as important as in a low power distance societies, because there is a tendency for the members of such societies to accept power relations that are more autocratic and paternalistic.

Uncertainty avoidance: this is the extent to which members of a society attempt to reduce uncertainty by relying on social norms, structural arrangements, rituals, and bureaucratic practices and procedures. Essentially, this dimension reflects how a society deals with the fact that the future is unknown, whether its members attempt to control future events in their lives or just let them happen. High uncertainty avoidance societies, such as Arab societies (Elsayed-Ekhouly & Buda, 1996), have low tolerance levels towards uncertainty and ambiguity that translates into less willingness to take risks and a preference for security. In an organisational context, this reflects the extent to which decision makers differ in the way they interpret and respond to strategic issues, as their perception of external uncertainty that impacts on their strategic decision-making behaviour is influenced by their cultural background.

Individualism: This dimension refers to the extent to which a society reinforces individual or collective achievement and interpersonal relationships. In other words, it is a measure of the relative importance of the interdependence a society maintains among its members. In high individualism societies, individuals tend to form relationships with large numbers of people, but these ties between individuals are weak. While in societies that are more collectivist in nature, such as Arab societies, the personal ties between individuals are very strong and the family tie is given much more weight. In Arab organisations, managerial capability relies to a great extent on social position, and personal and family relationships (Badawy, 1980; Muna, 1980; Bakhtari, 1995). Therefore they give priority to personal relationships and considerations over organisational ties, goals, and performance (e.g. Weir, 2001; Dorfman & House, 2004; Sabri, 2004; Ali, 2009).

In Arab society, people utilise their social relationships at many different levels to influence decision-making. They tend to utilise their social connections in different aspects of their life through what is called Wasta (favoritism), which is an attempt to use the influence of

relatives or acquaintances and personal relationships to achieve certain objectives (Hutchings & Weir, 2006). Wasta, is originally developed in the Arab family through the mother's mediation between family members and the father who is the ultimate authority in the family in order to achieve the requests of the other family members. Wasta is practiced in social relations and organisations by referring to the most powerful people in the society (Sharabi, 1988). Kabasakal and Bodur (2002) clarify that Wasta is practised by asking powerful people to help and resolve the dependents' personal issues by influencing decision-making in an organisation in a way that serves these personal issues. Understanding this concept is key to understanding decision-making in the Arab countries, it pervades the culture of all Arab societies and is a hidden force in every significant decision (Cunningham & Sarayrah, 1993). Such a hidden power is really influential when it comes to influencing the outcome of decision-making, because, in the Arab societies, Wasta is used to facilitate or impede organisational decisions, and to place personal interest over the organisational interest (Cunningham & Sarayrah, 1993; Hutchings & Weir, 2006).

Masculinity: This dimension refers to the degree to which the society reinforces, or does not reinforce, the traditional masculine work role model of male achievement, control, and power. In Arab countries, males tend to dominate a large portion of the power structure in the society. In Arab societies, the family is characterised by the dominance of the father, who the centre of the family and the ultimate authority in everything, the relationship between father and other family member is vertical, and there is subordination of females to males (Sharabi, 1988; Dedaussis, 2004). People tend to be submissive rather than independent, and tend to be obedient and accept an autocratic management style. In terms of organisational context, powerful actors tend to exert much influence over the behaviour of subordinates, and organisations tend to be highly centralised in their structure and decision-making.

In this chapter, I shed light on the characteristics of Arab society and culture, Arab management styles and the context of decision-making in Arab organisations. This chapter aims to further our understanding of social and cultural influences on decision-making processes in Arab organisations. In the next chapter, I focus on the research process and methodology of this research study. I will discuss the qualitative research approach, research strategy, and data analysis and interpretation followed in this study. Moreover, I will shed light on my role as a qualitative researcher, ethical considerations, and rigour of the study.

Chapter 6

Research Process and Methodology

The empirical part of this study was a worthwhile experience, but it was so expensive. There were no direct flights from the UK to Iraq. Therefore, my family and I took a flight to Jordan and then went on a different plane from Jordan to Iraq (and vice versa on the trip back). In Iraq, I was obliged to make journeys to various Iraqi towns, in different parts of the country where the companies under study are located, to invite people to participate in the study, and/or to conduct interviews.

However, this phase of the study carried out in four Iraqi towns over the period between January, 2012 and May, 2012. The focus was on exploring the underlying drivers behind the phenomenon of restructuring in the Iraqi industrial public sector companies, and on how these companies made their restructuring choices. Chapter 3 of the literature review, was the theoretical basis for the empirical phase of the study the purpose of which was developing a model of decision-making in the context of the Iraqi industrial public sector companies, a model which combines two conflicting schools of thought concerning how strategic choices are made, namely the deterministic theory and voluntaristic theory. However, during my fieldwork in Iraq, I realised that the way this literature had theorised about choice-making did not help me to understand what I was observing. Accordingly, I soon realised that it is difficult now for this study to build this model, and that I need to draw on further readings from a wider variety of literature than the literature which I had initially considered. Therefore, Chapter 4 and Chapter 5 of the literature review were written as a result of the gaps I realised during the empirical part of this study consequently, the two chapters fill in the gaps in the knowledge of decision-making in the Arab companies and lead to a better understanding of what I was observing in the fieldwork.

The approach adopted for this study is obviously exploratory for two reasons. The first is the limited amount of previous research conducted on decision-making in the context of Arab companies in general, and in the Iraqi industrial public sector companies in particular. Second, this study seeks to explore the key factors that drove the process of restructuring choice-making in the Iraqi industrial public sector companies, and the role of these factors in making the choices. Therefore, this study is conducted depending on qualitative research in which the researcher attempts to explore and develop an understanding of choice-making in the context of the Iraqi industrial public sector companies. This chapter will describe the rationale behind using the research approach, the research design, data collection and the analysis methods employed in conducting this research.

6.1 Research Approach and Design:

It has been argued that the paradigm determines the research design and methodology. It shapes the researcher's perception of how he/she views the world and how he/she behaves and interacts with it, and therefore the paradigm determines the researcher's approach to inquiry (Thomas, 1979; Kuhn, 1996). In other words, the paradigm determines the type of questions one asks, the settings in which information is collected and the type of research methods needed to answer these questions. Many scholars (e.g., Burrell & Morgan, 1979; Crotty, 1998; Creswell, 2003; Sarantakos, 2005) suggest that the research process starts with determining the most relevant research paradigm, including the ontological and epistemological foundations, for the study to address the phenomenon of interest. Describing the approach will be followed by describing the selection of the research design and methodology.

This research attempts to contribute to the body of knowledge relating to decision-making in the field of management. It will provide an understanding of the key factors that influence the decision-making process in Arab companies in general and Iraqi industrial public sector companies in particular. Given the paucity of empirical research on decision-making in the context of Arab companies, the interpretive approach enables this study to develop an understanding the process of restructuring choice-making in the context of the Iraqi industrial public sector companies. “The interpretive approach is the systematic analysis of socially meaningful action through the direct detailed observation of people in natural settings in order to arrive at understandings and interpretations of how people create and maintain their social worlds” (Neuman, 2006, P.88). For decades, interpretive inquiry paradigm has steadily affirmed its relevance to management research by addressing questions that are difficult to address with traditional experimental or survey approaches and by deepening our understanding of organisational behaviour and management (Prasad & Prasad, 2002).

This paradigm has been associated with the disadvantage of subjectivity. As a researcher I know that the value of my thesis depends on not only the findings but also on the rigor of data collection and analysis and on the transparency of my interaction with information. So, I have to remain neutral and unbiased as much as possible. According to Gliner and Morgan (2000), researchers in this type of paradigm should acknowledge that there will be subjectivity and bias, but they should do what they can to minimise the potential effect of biases.

The role of epistemology and ontology is to help researchers construct themselves ideologically with respect to research design and methodology. Epistemology is the study of knowledge and our method of acquiring it. The role of epistemology in the research process is to address the nature of knowledge and provide a solid basis for understanding what knowledge is and how it is possible. Ontology is the philosophical study of what exists, what

kinds of things exist or can exist in the real world (Crotty, 1998), and how causality works. It is the foundation of knowledge that describes the concepts and relations that exist in the real world that we are trying to model and describe.

The research design is the plan of research that “connects theoretical paradigms to strategies of inquiry and methods for collecting empirical material” (Denzin& Lincoln, 1994: p.14). Thus, it is “a tool for method selection as well as for improving the formulation (precision) of research questions and theoretical references” (Grunow, 1995: p. 94). The research design mainly depends on the type of the study and the study objectives. Generally, if the goal of the study is to test theory, then the quantitative design of study and statistical analysis of results should be applied; while if the goal of the study is to build an understanding of a phenomenon, then the qualitative approach is seen as an effective way to address this goal. Thus, the type of research and its objectives determine the research strategy to be adopted, and the methods of data collection and analysis. The type of this study is exploratory and to some extent descriptive in nature.

- Exploratory research aims at obtaining new perspectives and insights by asking questions and finding out what is occurring in a situation (Robson, 2002). In other words, exploratory research entails that the researcher does not know what he/she will discover when he/she sets out on a course of inquiry. This study is exploratory as very few studies on decision-making in the context of Arab companies have been reported in the literature, and also since the study attempts to explore the key factors that made up the picture of restructuring choices in the Iraqi industrial public sector companies in order to improve our knowledge of decision-making in the Iraqi industrial public sector companies.
- The function of explanatory research is to explain some casual relationships among different aspects of the phenomenon under study (Babbie, 2013). Therefore, this study

is explanatory as it focuses on understanding the phenomenon of interest. This research seeks to throw light on how different factors and conditions shaped the restructuring choices in the context of the Iraqi industrial public sector companies.

- The research is also descriptive because it attempts to describe the context within which the decision makers of the Iraqi industrial public sector companies operate, thereby helping us understand how they made their restructuring choices. The function of the descriptive research is to provide an overall picture of a phenomenon by describing situations or events (Rubin & Babbie, 1997) in order to make it more understandable. Descriptive research provides data that identifies variables, describes relationships between them, and contributes to increasing our understanding of the phenomenon under study.

Accordingly, this kind of study requires the use of qualitative methods such as interview techniques that depend to a great extent on the subjective relationship between the researcher and the participant in order to generate a rich description necessary to reveal the subjective reasons and meanings that lie behind reality (Terre Blanche & Durrheim, 2002; Yin, 2009). This approach enables an in-depth understanding of the phenomenon under study. Qualitative methods enable the researcher to gather an in-depth understanding of human behaviour and the causes that govern such behaviour (Patton, 2002; Gummesson, 2003). In the following section, I will discuss this approach and its advantages in more detail.

6.1.1 Qualitative Research:

Qualitative research has increasingly become a legitimate and effective approach of research design within the business disciplines, especially within management studies. It has become a more widely accepted and a less controversial approach due to its ability to develop new theories to generate valuable explanations of complex phenomena. The ability of the

qualitative research approach to generate a rich description and an in-depth understanding by following a more interpretive process makes it an important and powerful epistemological tool for understanding and explaining phenomena, and the processes that generate them in their natural settings (Hakim, 1992; Denzin & Lincoln, 1994; Gephart, 2004; Riessman, 2008; Babbie, 2008; Yin, 2009). This contribution to scientific inquiry highlights the suitability of this approach to areas where the level of existing knowledge is vague.

This study seeks to gain knowledge by trying to come closer to ways and circumstances in which restructuring choices were made within the context of the Iraqi industrial public sector companies. To do so, an in-depth qualitative analysis is necessary to gain a greater understanding of what took place in the Iraqi industrial public sector companies. The use of qualitative methods is of a great benefit to this type of inquiry, since the phenomenon of the restructuring choice-making in these companies can only be understood from the perspective of their makers. The focus on decision makers' narratives will help in understanding how their restructuring choices have been made. The interviews with decision-makers from the Iraqi industrial public sector companies are necessary for understanding the key drivers that led them to make their restructuring choices. Qualitative methods, therefore, will help us to understand which questions to ask and how to ask them. They will help us to better explain the relationship between the drivers of the phenomenon under study in a logical and understandable way. Maxwell (2004: p. 3) argues that "a realist understanding of causality is compatible with the key characteristics of qualitative research, and supports a view of qualitative research as a legitimately scientific approach to causal explanation".

As we need to acquire an "insider's perspective" on how our world operates, qualitative research can be seen as a methodology that involves an interpretive and naturalistic approach, and uniquely enables the researcher to gain an in-depth understanding of a given phenomenon in its natural context (Hakim, 1992; Denzin & Lincoln, 1994; Marshall &

Rossmann, 2006; Babbie, 2008; Nachmias & Nachmias, 2008; Yin, 2009). Denzin and Lincoln (2000: p. 3) claim that “qualitative researchers study things in their natural settings, attempting to make sense of, or to interpret, phenomena in terms of the meanings people bring to them”. Since the qualitative researcher is an instrument for data gathering and analysis (Merriam, 1991), the task of the qualitative researcher is to find patterns within what people say and do, and to interpret and understand a given phenomenon from the participants’ point of view (Maykut & Morehouse, 1994).

Since the interpretive paradigm assumes that reality is only accessible through social constructs and meanings (Berger & Luckmann, 1966), qualitative studies focus on understanding social phenomena from the perspective of the participants in natural contexts. Creswell (2003: p. 18) describes “the qualitative research as one in which the inquirer often makes knowledge claims based primarily on constructivist perspectives”. The value of this approach is that “the multiple meanings of individual experiences are socially and historically constructed with the intent of developing a theory” (Creswell, 2003: p. 18). Qualitative research focuses on understanding complex interrelationships by focusing on understanding the world as it works, studying phenomena as they exist in their own natural settings and as they relate to the phenomena around them (Denzin & Lincoln, 2000).

It is argued that the complexity of social phenomena has necessitated the use of qualitative analysis. Social phenomena are often multifaceted since there are no single set of conditions or factors which can be the cause of a particular phenomenon to come into being. Qualitative research is a methodology that allows for the capturing of complex meanings (Leedy, 1997; Robson, 2002), allows for the complexity of the phenomenon to be uncovered (Corbin & Strauss, 2008) and enables the researcher to be involved with the phenomenon under study (Denzin & Lincoln, 1994; Marshall & Rossmann, 2006; Babbie, 2008; Yin, 2009). Qualitative research is all about understanding phenomena and its functions to uncover the web of

complex interrelationships existent within, and around, the phenomenon under study (Miles & Huberman, 1994). Qualitative tools analyse the causes behind a particular phenomenon, unlike quantitative tools that analyse the phenomenon itself, independent of both individuals' perspectives and their perceptions of reasons and the conditions that cause the phenomenon to come into being (Creswell, 2003).

The understanding of phenomena is the ability to understand how things exist. Qualitative research describes phenomena as they occur naturally, not as we think they should be. The qualitative researcher does not attempt to manipulate the phenomenon of interest (Patton, 2002) as is the case with the quantitative researcher. Furthermore, qualitative research includes a holistic perspective in order to understand phenomena. Understanding a given phenomenon can only be gained through a holistic or a systems approach. Mitroff et al. (1974) argue that a holistic view of a phenomenon is necessary in order to understand all its essential characteristics. Qualitative research, therefore, is used to develop concepts, insights and theories that help us to understand what is happening, or why or how it is happening. This is an inductive approach to data collection and analysis that allows the development of theory rather than testing or verifying pre-existing theory, so that insights, knowledge and understanding about what is happening can be developed from such in-depth data collection and analysis.

It is evident that qualitative research is an excellent methodology for exploring new areas of inquiry, it is an excellent approach that contributes to the advancement of our knowledge and understanding of the specific field of interest, and it is an excellent way to gain deep insight into the nature of phenomena. Yin (2009) emphasises that qualitative methodology is an excellent way to collect rich data that provides an understanding, explanation and depth to a study. Understanding how restructuring choices made in the context of the Iraqi industrial public sector companies requires an in-depth understanding of the overall context in which

these choices are made, the underlying drivers of these choices, and the ways in which decision-makers of these companies made sense of their companies' need for restructuring. It is expected that using qualitative research in the context of the Iraqi industrial public sector companies will be an excellent way understand what is going on in that region. The next section discusses the most appropriate research strategy for the purpose of this study.

6.1.2 Research Strategy:

Research strategies in which data are collected and analysed in the form of text, written words, phrases or symbols describing people, actions and events in social life are categorised as qualitative (Neuman, 2006). Qualitative research strategies for data collection and analysis are often characterised by an emphasis on words rather than numbers. (Bryman & Bell, 2003). They allow for explanation building and a rounded and in-depth understanding on the basis of rich contextual and detailed data (Mason, 1996). These strategies are particularly appropriate to interpret underlying meanings and perspectives of the people being studied (Creswell, 2003; Silverman, 2005). Qualitative research strategies are considered necessary when investigating complex phenomena, and when the purpose of the research is to develop an interpretation of a particular phenomenon in areas where little is known. Qualitative strategies are flexible and non-reductionist, focusing on meaning, understanding, and interpretation of experience and relationships, and they are useful where the researcher focuses on studying a limited number of cases in their natural context.

In general, there are several strategies for qualitative research, which can be divided into three key strategies: case studies, ethnography, and grounded theory (Creswell, 1998). Case study research “is an inquiry that investigates a contemporary phenomenon within a real-life context in which multiple sources of evidence are used” (Yin, 2009, p. 18). This approach

can be useful in theory and model building since theories are initially created to describe and explain a particular case, object, or situation. This approach “provides tools for researchers to study complex phenomena within their contexts” (Baxter & Jack, 2008: p. 544). The second type of qualitative research is ethnographic research that attempts to explore and understand aspects of culture and human beliefs (Bogdan & Biklen, 2007; O'reilly, 2012) by describing a set of practices, behaviours, knowledge, or beliefs that characterises a culture or a group of people. In management and organisation studies, scholars (e.g., Dalton, 1959; Roy, 1960; Lupton, 1963; Watson, 1994; Delbridge, 1998) have used this qualitative research strategy to explore and understand aspects of the organisational culture. The third type of qualitative research is grounded theory which is a systematic strategy that emphasises the development of theory and models from qualitative data during the research process. This approach was first developed by Glaser and Strauss (1967) in their book: *The Discovery of Grounded Theory*. The purpose of the grounded theory strategy is to generate a theory from social data derived inductively from the study of the social phenomenon it represents (Corbin & Strauss, 2008). The grounded theory in organisation and management studies can be extremely useful in exploring a wide range of research issues relevant to human behaviour, human relationships and communications (Locke, 2001, Goulding, 2002).

In qualitative research, one of the most important research strategies is triangulation, or the process of using multiple research strategies to develop a comprehensive understanding of a given phenomenon. Morse (1991) states that triangulation not only maximises the strengths and minimises those weaknesses of each research approach, but strengthens research findings and contributes to theory and knowledge development. According to Hair Jr. et al. (2011) there are four types of triangulation in qualitative research: researcher, data, method and theory. Researcher triangulation involves multiple researchers in an investigation. Data triangulation involves the use of different sources of data/information. Method triangulation

involves conducting the research project using several different methods and comparing the findings, including sometimes findings from both qualitative and quantitative research. Finally, theory triangulation is using multiple theories and perspectives to interpret and explain the data. However, qualitative researcher cannot use all the four types of triangulation in a single research study but should be aware of them and think about the opportunities for building safeguards wherever a project would be otherwise be weak (Hair Jr. et al., 2011).

Since this study focuses on understanding how strategic choices are made in one of the rarely explored settings of strategic decision making from different perspectives, taking into account behavioural, social and cultural issues, it was of great importance to triangulate data using different qualitative research strategies. Moreover, it was felt that the need for triangulation research emerges from the need to understand the context within which the restructuring choices of the Iraqi industrial public sector companies were made.

This study had been designed to understand the context of decision-making in the Iraqi industrial public sector companies by using a triangulation of case study, ethnography, and grounded theory research strategies, but the constraints of the fieldwork in Iraq ended up the research strategy of this study being labelled as an interview analysis. As it is for ethical reasons necessary to protect the informal participants' identities by removing any information that would serve to identify those participants who might be harmed as a result of their stories and information about the restructuring choices of their companies, it is not possible to provide a full description of the context of the investigated companies. Therefore, it is not possible to approach this study as a case study research. In this research study, the safety and security considerations played a crucial role in determining many of the research decisions the researcher made, including the research strategy.

Accordingly, the findings of this study will be based on the analysis of empirical data derived from a triangulation of elite interviews, ethnographic interviews, and research diary that will work together to provide a complete picture of the phenomenon of interest. Whereas the elite interviews relate to the visible drivers of restructuring choice-making in the context of the Iraqi industrial public sector companies, the ethnographic interviews focus on the hidden drivers of this process. In addition, the role of field notes and research diary is to provide an understanding of the context in which the Iraqi public sector companies and their decision makers operate in, and how that context influences how strategic decisions are made in these companies.

6.1.2.1 Selection of the Investigated Companies:

Critics agree that the credibility of the study relies on the quality of procedures that the researcher has used to select the research participants. The procedure of selecting the cases from a population for inclusion in a study is commonly referred to as sampling. In quantitative research, sampling and sample size are crucial factors, which seek to demonstrate representativeness of the study findings through a random selection of subjects. In other words, sampling and sample size are significant for enhancing the generalisability of findings. Therefore, the sample size in quantitative studies is large and randomised. In qualitative research, however, selection of the study sample is purposeful and judgmental (Eisenhardt, 1989; Patton, 2002; Yin, 2009). In qualitative studies, as mentioned earlier in this chapter, cases are chosen for their ability to provide large volumes of information to facilitate the insight into and understanding of the phenomenon under study. The key to purposeful sampling is to select subjects that are information-rich (Patton, 2002), so that the phenomenon of interest can be explained. Thus, the selection of subjects in qualitative

research is not random, which in essence means that certain units of analysis in the population are much more likely to be selected than others based on certain characteristics.

Purposeful sampling strategies involve the selection of subjects strategically and purposefully, and the number of cases depends, to a large extent, on the purpose and resources of the study (Patton, 2002). Qualitative researchers, therefore, rely wholly on their own judgment in the selection of subjects as they are concerned with seeking and gathering information from specific subjects in the population. In this study, the selection of cases was based on three strategies of purposeful sampling, namely convenience, judgment, and snowball sampling.

- In convenience sampling, the most accessible subjects from the population are selected, and therefore a sample is drawn on the basis of opportunity. In other words, the researcher generally selects participants on the basis of easy availability and accessibility. It is sometimes referred to as an accidental sample (Bruce, 2012) since the researcher selects units as they are presented to him/her by mere happenstance (Leedy, 1997). This sampling strategy was appropriate for this study due to time and funding limitations. During the fieldwork in the Iraqi industrial public sector companies, there were many instances where my respondents had changed the date or time of their interviews. As a result, I was always trying to interview another available person instead of the one who postponed or cancelled his/her interview.
- In judgment sampling, the researcher selects units to be sampled based on his/her own personal knowledge and opinion, and/or the advice of experts. This means that the researcher and the experts exercise their judgment in the choice and include those subjects in the sample, which they think is the most typical of the population with regard to the purpose of the study. Thus, a group of people having in-depth knowledge about a particular issue can be chosen for the research sample. Before my

fieldwork in Iraq, I decided to interview key decision-makers from five Iraqi industrial public sector companies and from the Iraqi Ministry of Industry and Minerals. However, when I went to Iraq and started my fieldwork, I found that it was necessary to involve some people from these companies, who volunteer to uncover the hidden facts of the restructuring choices in their companies. Hence, I contacted my first supervisor to ask whether or not I could include those people belonging to the middle-level management of these companies in my study. He encouraged me to do so and asked me to keep track of the ‘unofficial’ stories as they may have an important impact on understanding the phenomenon under study.

- In snowball sampling, data is collected from an initial group of people that meets the criteria for inclusion in the study. The participants are then asked to recommend other people who, they think, meet the research criteria and who might have special knowledge and experience that generate an in-depth understanding of the phenomenon of interest. The researcher then collects data from these referrals and also asks them to identify other people who, they think, should be involved in the study. This process continues until the researcher reaches the point when no new evidence is available about the phenomenon under study. This sampling strategy is sometimes referred to as chain referral sampling. The key advantage of this strategy is that it enables the researcher to locate information-rich key informants or critical cases (Patton, 2002). This sampling strategy was an effective way to collect data during my fieldwork in Iraq. I kept asking each respondent to recommend other people to participate in the study. Moreover, I followed this strategy with my unofficial respondents, and the result was that they recommended some people, who were not recommended by the official respondents because of their opposition to practices believed to be not in the best interests of their companies.

Since thick description is essential to understanding the entire context and meaning of what is being researched. Purposeful sampling strategies are necessary to ensure that the researcher is able to collect the required data to answer his/her research questions. They ensure that the subjects are willing and interested in participating in the study, so that they are open to interact and to share information in in-depth face-to-face interviews. For these reasons, purposeful sampling strategies are seen to increase the richness, validity and depth of the information required to understand the phenomenon of interest (Eisenhardt, 1989; Yin, 2009).

6.1.2.2 Unit of Analysis and Data Sources:

The unit of analysis is the major entity that the researcher has chosen to analyse in his/her study. It is the “what” or “whom” that is being studied as the target population (Babbie, 2013). The unit of analysis could be people, objects, or events that are important for the understanding of the phenomenon under study.

This study seeks to explain and describe how decision-makers of the Iraqi industrial public sector companies made their restructuring choices and to explain the key factors that contributed to making up the picture of these choices. To do so, the main unit of analysis consisted of a group of Iraqi decision-makers from the Iraqi industrial public sector companies chosen for this study. Accessing their knowledge and experiences was based on being involved in making restructuring choices in their companies. Every attempt was made to conduct face-to-face interviews with key strategic decision-makers from various Iraqi industrial public sector companies and from the Ministry of Industry and Minerals. In addition, unstructured interviews were conducted with unofficial respondents from the middle-level management of these companies in an effort to get a complete picture of how restructuring choices were made in the Iraqi industrial public sector companies and of the

underlying drivers of these choices. These multiple perspectives allowed the researcher the opportunity to view the phenomenon of interest from multiple angles, to get unbiased perspectives and to get a representative sample. This offered a more relevant, valid and reliable presentation of the phenomenon under study in this research. This study focused on individuals who are key decision-makers from five Iraqi industrial public sector companies in addition to the Ministry of Industry and Minerals (the owner of these companies). These Iraqi public companies have been chosen according to the following criteria:

- Company's ownership: I have selected the industrial companies that are completely owned by the Iraqi government. The main reason for this choice is that the big Iraqi companies that are driving the Iraqi economy are state-owned companies.
- Company size: I have selected the largest companies, or the unique ones in their respective public sectors.
- Selection of the companies: I have selected the Iraqi industrial public sector companies that have chosen to engage in restructuring activities since 2003 and up to the date of conducting the empirical phase of this study.
- The independence of the company: I have selected the Iraqi industrial public sector companies that are independent financially and managerially in order to ensure that the selected companies have the freedom of choice. It is necessary to mention that the majority of the Iraqi industrial public sector companies are completely owned by the Iraqi government, but with complete financial and managerial independence. They are self-funded with a revenue flow independent of government budgetary allocations.
- Diversity: I have selected five public companies from different public sectors and regions of Iraq, in addition to the owner of these companies (the Ministry of Industrial and Mineral), to view the phenomenon of interest from multiple angles in order to get a reasonable explanation from different perspectives.

- Security: I have selected the Iraqi industrial public sector companies which are located in relatively secure regions. Unfortunately, I avoided the companies located in regions where the majority of people belong to a religious sect different from mine. Therefore, the security situation in Iraq played an important role in determining the sample of this study.

6.1.2.2.1 Research Population:

The face-to-face interview methodology involved the conducting of 43 in-depth semi-structured interviews. My interviews were arranged with the following thirty-nine top managers, who have organisation-wide managerial responsibilities and participated in the process of restructuring choice-making in their companies. These thirty-nine managers were chosen from five Iraqi industrial public sector companies. Interviews were also conducted with four decision-makers from the Iraqi Ministry of Industry and Minerals which is responsible for determining the general policies of these companies and for monitoring their performance. Above all, the research population includes five unofficial responses from middle-level management participants working at the Iraqi industrial public sector companies under study who volunteered to participate in the current study.

Table (6-1) Research Population

Construction-Co		
Respondents	Functional Position	Date of Interview
Respondent C1	The Director of the Department of Finance	1 Feb 2012
Respondent C2	A Board of Directors Member	5 Feb 2012

Respondent C3	The Director of the R & D department	7 Feb 2012
Respondent C4	A Board of Directors Member	8 Feb 2012
Respondent C5	The Director of the Investment Department	8 Feb 2012
Respondent C6	The General Manager and Chairman of the Board of Directors	12 Feb 2012
Respondent C7	A Plant Director	13 Feb 2012
Respondent C8	The Director of the Legal Department	14 Feb 2012
Respondent C9	The Director of Planning and Production Control	15 Feb 2012
Textile-Co		
Respondent T1	A Department Director	19 Feb 2012
Respondent T2	A Board of Directors Member	21 Feb 2012
Respondent T3	The Board of Directors Member	21 Feb 2012
Respondent T4	A Department Director	22 Feb 2012
Respondent T5	The Director of the Marketing Department	8 March 2012
Respondent T6	The Director of the Administrative Department	11 March 2012
Respondent T7	The General Manager and Chairman of the Board of Directors	11 March 2012
Respondent T8	A Department Director	13 March 2012
Engineering-Co		
Respondent E1	A Department Director	26 March 2012

Respondent E2	The Director of the Investment Department	27 March 2012
Respondent E3	A Board of Directors Member	27 March 2012
Respondent E4	The Director of the Engineering Utilities Department	28 March 2012
Respondent E5	A Department Director	29 March 2012
Respondent E6	A Board of Directors Member	29 March 2012
Respondent E7	The General Manager and Chairman of the Board of Directors	2 April 2012
Petro-Co		
Respondent P1	A Board of Directors Member	3 April 2012
Respondent P2	The Director of the Department of Finance	4 April 2012
Respondent P3	The General Manager and Chairman of the Board of Directors	4 April 2012
Respondent P4	The Director of the R & D department	5 April 2012
Respondent P5	The Director of the Investment Department	8 April 2012
Respondent P6	A Board of Directors Member	8 April 2012
Respondent P7	The Director of the Utility and Services	9 April 2012
Respondent P8	A Department Director	10 April 2012
Rubber-Co		
Respondent R1	A Department Director	15 April 2012
Respondent R2	A Board of Directors Member	16 April 2012
Respondent R3	The Director of the Investment Department	18 April 2012
Respondent R4	The General Manager and Chairman of the Board	24 April 2012

	of Directors	
Respondent R5	The Director of the R & D department	25 April 2012
Respondent R6	The Director of Marketing	26 April 2012
Respondent R7	The Director of the Department of Finance	29 April 2012
The Ministry of Industrial and Mineral		
Respondent M1	A Department Director	18 March 2012
Respondent M2	A Department Director	19 March 2012
Respondent M3	A Department Director	20 March 2012
Respondent M4	A Department Director	22 March 2012
Unofficial Participants		
Participant U1	The Director of the Purchasing Division in the Department of Finance at the Construction-Co	Many Times During the Fieldwork
Participant U2	A team leader in the Engineering Services unit in the Department of Planning and Production Control at the Construction-Co	Many Times During the Fieldwork
Participant U3	Ahead of a group in the Development Division in the Department of the Quality Control at the Engineering-Co	Many Times During the Fieldwork

Participant U4	The Office Manager of the General Manager of the Engineering-Co	Many Times During the Fieldwork
Participant U5	A Middle Manager in the Investment Department at the Rubber-Co	Many Times During the Fieldwork

Participants were selected by means of purposeful sampling strategies. The first phase consisted of judgement sampling to select top managers who could provide rich information about the phenomenon under consideration. After each interview I asked the subjects to recommend other decision-makers whether from their companies, or from other companies, decision-makers who, the interviewed participants thought, meet the research criteria and who might have special knowledge and experience that could generate an in-depth understanding of the investigated phenomenon. Moreover, convenience sampling was also employed in selecting the most accessible subjects. In fact, not only was the participants' cooperation facilitated by social, cultural and religious influences regarded as "normal or socially acceptable" within the Iraqi society, but also most of the interviewees themselves were actually willing to participate in the study and to share their experiences and their views.

However, despite the large number of these interviews, the picture of restructuring choices in the Iraqi industrial public sector companies was not complete and did not make sense. I realised from the first few interviews that it is necessary to find an independent source of information that can bridge the gaps in my understanding and unlock the door for a picture of the phenomenon under study to be completed. Therefore, I involved five participants who volunteered to participate in the study. The five volunteering participants were from the middle-level management of three of the companies under study. Those people formed an

important source of information in addition to some official respondents that uncovered what was hidden behind the process of restructuring choice-making in the Iraqi industrial public sector companies.

6.1.2.3 Data Collection:

Data collection is a term used to describe a process of gathering specific information about a phenomenon. This process leads to the generation of knowledge and the understanding of the phenomenon under study. In qualitative research, one of the most important advantages of data collection is the possibility to make use of many different sources of evidence (Yin, 2009). The importance of utilising multiple sources of information when conducting qualitative research is to ensure the reliability of the research (Yin, 2009).

When the phenomenon of interest is complex and multi-dimensional, the researcher needs to become a part of its context and to study it from inside. Further, the researcher needs to look at it from outside. Since this study focuses on understanding the phenomenon of interest from different perspectives, taking into account behavioural, social and cultural issues, it was of great importance to maintain high flexibility on the part of the researcher. Consequently, there were multiple types of evidence (from inside and outside the Iraqi industrial public sector companies). Besides, multiple types of data collection techniques were used in this research, and they are illustrated in Figure (6-1) in the next page. These included elite interviews, ethnographic interview, field notes and research diary.

Figure (6-1): Data Collection Techniques of the Study



(Author's own)

6.1.2.3.1 Survey “Elite” Interviews:

The main data collection method used in this research was the in-depth face-to-face interview, which is based on a direct face-to-face meeting between interviewer and interviewee (Rubin & Rubin, 1995; Warren & Karner, 2010). In-depth interviews are used as the preferred instrument for data gathering, which affords the qualitative researcher the opportunity to probe and reflect (Kvale & Brinkmann, 2009).

The survey interview is described as a purposeful conversation between interviewer and respondent in which the interviewer asks prepared questions and the respondent answers them (Dexter, 1970; Frey & Oishi, 1995). In the survey interview, the researcher administers the same pre-determined set of questions in a consistent way to all selected respondents (Frey

& Oishi, 1995). The purpose of the survey interview is to elicit certain information from respondents about the phenomenon of interest, to establish a solid base of fact from which to draw conclusions, and to make interpretations (Dexter, 1970; Frey & Oishi, 1995).

More specifically, as this research mainly aims at eliciting Iraqi decision-makers' views in relation to their restructuring choices in the Iraqi industrial public sector companies, a term that is used to describe this research method of data collection is 'the elite interview.' The elite interview is a specific type of a focused interview that focuses on a particular type of interviewees who are considered influential, prominent and well-informed within an organisation or community and are selected on the basis of their relevant expertise connected to the research area of the study (Dexter, 1970; Marshall & Rossman, 2006). By focussing on elite individuals, the researcher can gain much deeper insights into and a much deeper understanding of the phenomenon under study. According to Marshall and Rossman (2006), the key advantage of elite interviews is that elite individuals are considered to be more willing and open to cooperate with the researcher in every possible way than regular individuals.

6.1.2.3.1.1 The Interview Process:

An interview, as a conversation between two or more people, whereby questions are asked by the interviewer, involves the art of listening and asking questions. In qualitative research, the interview is a valuable means of collecting rich and in-depth data that enable a better understanding of a particular phenomenon. Although this method of data collection takes a long time and is often more expensive than other data collection methods, it is one of the most powerful ways in which the researcher strives to understand the phenomenon of interest

from the participants' perspectives, and deduces a meaning from that (Fontana & Frey, 2005; Kvale & Brinkmann, 2009). In this study, the interview process consisted of four stages: development of interview questions, pre-interview preparations, the interview and post-interview activities.

Stage 1: Development of interview questions:

The success of any qualitative research study is usually dependent on the researcher's ability to ask questions in an effective and appropriate manner, as well as on the researcher's ability to interpret information and make sense of what he/she sees (Bryman, 1995; Yin, 2009; Tracy, 2013). Two interview schedules were designed with the aim of developing an understanding of how restructuring choices were made in the context of the Iraqi industrial public sector companies from two perspectives. The first one was developed to understand the phenomenon from the perspective of top managers of five Iraqi industrial public sector companies. The second interview schedule was designed to explore the phenomenon from the perspective of the Iraqi Ministry of Industry and Minerals, the owner of the companies under investigation. Table (6-2) in the next page highlights the key interview questions for the top managers from the selected Iraqi industrial public sector companies according to their relevance to the initial purposes of the study (see Appendix B for the Interview Schedule of the Iraqi Ministry of Industry and Minerals)¹.

¹The interview discussion topics and questions were based on the idea of combining the deterministic and voluntaristic theories which were discussed in the initial literature review, but was not sufficient to fully understand the phenomenon of interest in the context of the Iraqi industrial public sector companies.

Table (6-2): Interview Schedule with Key Interview Questions

To understand the key drivers of adopting restructuring as a strategic choice in the Iraqi industrial public sector companies
<ol style="list-style-type: none"> 1. What is your view on how the idea of restructuring made its way into your company? 2. Could you describe what prompted your company to adopt the restructuring choice? 3. What are the considerations that have guided you in making the restructuring choice in your company?
To conceptualise the role of upper echelons of the Iraqi industrial public sector companies in the restructuring choice-making
<ol style="list-style-type: none"> 1. Can you describe your role as a decision-maker/ leader in making your company's choice of restructuring happen? 2. How did you make sense of the events or circumstances that arose after 2003 in terms of the restructuring choice-making in your company? 3. Can you tell me, on which aspect of the external environment, did you focus your attention in the process of the restructuring choice-making? 4. To what extent do you think that you have reached the best possible restructuring-choice? 5. How have you dealt with the information that contradicted your experience and knowledge?
To conceptualise the role of the change of different aspects of external environment forces\variables of the Iraqi industrial public sector companies in determining the restructuring choice-making.
<ol style="list-style-type: none"> 1. What have been going on in your company's business environment since 2003? 2. What is the role of the change of different aspects of external environment forces\variables of the Iraqi industrial public sector companies in determining the restructuring choice-making? 3. What factors in the business environment of your company provided the greatest impact on the restructuring choice-making in your company? 4. To what extent you feel that your restructuring choice has been determined by forces working outside your company?

5. To what extent situations such as the changes that have occurred in Iraq since 2003 can push you one way or the other, leading you to adjust your choice even though it is contrary to your experience and knowledge?
To explore the form of relationship between restructuring choice drivers that made up the picture of choice-making in the Iraqi industrial public sector companies
<ol style="list-style-type: none"> 1. What is your own perception of where your role began in terms of the impact on the process of the restructuring choice-making in your company? 2. What is your own perception of where the role of changes in the business environment of your company ended in terms of the impact on the process of the restructuring choice-making in your company? 3. What is your own perception of how the picture of the restructuring choice-making in your company has been developed?

Stage 2: Pre-interview preparations:

The participants were mostly invited to participate in the study through the general manager of the organisation or his Office Manager, and sometimes in person or via telephonic conversations, whichever was appropriate and convenient. The usual procedure was to get a personal appointment with the general manager of the company to explain the research and answer any questions he has about it, and then ask for his permission to conduct interviews in his organisation. Then, the general manager directed his Office Manager to facilitate my task in the organisation and provide me with a list of the people who I can interview.

It is worth mentioning that the preparation for the interviews in such a context was not an easy task for several reasons, the most prominent of which was the lack of punctuality that is very common in the Arab society. There were also difficulties related to the security situation

in Iraq and the lack of essential services such as electrical power that is the backbone of everything in life.

The following extracts are taken from my research diary notes as examples of the difficulties that I faced in the fieldwork (see Appendix A: Research Diary for more examples and information):

“Today, I had an appointment to interview one of my respondents from the Textile-Co, but I could not conduct it due to the security situation at that day, when about 18 car bombs exploded in the city. Two of them exploded where the Textile-Co is located. I was heading to the company to conduct the interview, when one of these explosions happened at a distance of 200 meters from where I was. It was a disgusting scene to see people dying in the street, mothers looking for their children and children looking for their mothers” (Field Notes, 6 March 2012).

“Today, I had two appointments at the Textile-Co; the first one was with the Director of the Administrative Department at 10:30 am and the second with the general manager at 12:30 pm. I left home early this morning at 7:30 to avoid the heavy traffic in the city. I arrived at about 9 am to the company and was surprised to discover that nobody was in the office of the Director of the Administrative Department though the working day starts at 8 am. I asked a cleaner about this. The cleaner said: "This usually happens due to the traffic and explosions, do not worry they will come". Thereupon, I waited outside the office until the employees started to come. The Director of the Administrative Department came at 12:15 pm. He said to me: “I have lots of delayed work. You can either wait until I finish my work, or come tomorrow morning. I said: “I am going to interview the general manger and then I will wait for you" (Field Notes, 11 March 2012).

“This afternoon, I had the first interview in the Rubber-Co. I left home at 7 am and arrived to the company around 11 am. The first interview was supposed to be with the General Manager, but it has been changed as he was so busy according to his Office Manager. As my home is about 180 km far from the company, the Office Manager suggested that I interview the Production Manager instead of

the General Manager. I welcomed his suggestion as it would save my time. After the interview with the production manager from the Rubber-Co, I hired a taxi and asked the driver to take me to the best hotel in the city. I was so tired after a long day of work, and the weather was so hot (about 40 Centigrade). On the way, I planned to take a shower, eat, to transcribe the data that I got from the interview and the observation and then to go bed early because I need to wake up early as for more interviews at the company. I arrived at the hotel and thought that it looked a good hotel where certainly a backup generator would be used when electricity would be cut off. To make sure, I asked the reception if they use a generator when the electric power is cut off. The receptionist said: "Yes, do not worry about that." However, the hotel's generator broke down after a few minutes of operation. The receptionist told us that it was difficult to fix it at that night. Accordingly, all the hotel guests, including me, slept on the roof of the hotel under the stars listening to the noise of generators that never stopped until sunrise" (Field notes, the 15th of April, 2012).

Obviously, the pre-interview preparation in such contexts is not an easy task. Rather, it needs a great deal of patience and understanding to familiarise oneself with such conditions.

Stage 3: The interview:

Interviews were pre-arranged at times that suited the respondents. Before starting the interview, I explained a bit about myself and about the purpose of the interview and the study in order to create more of a relaxed atmosphere. After that, I answered any question the participant had whether related to the research process or to me as a person. In the Arab context, in general, and in Iraqi society, in particular, personal information such as: where you are from, your tribe and your sect play an important role in preparing a relaxing

atmosphere during the interview, and in determining the extent of respondent's interaction with the researcher.

Digital recording was not allowed for security reasons, so I relied on note-taking to collect information when conducting the interviews. As I was interested in exploring the context in which my respondents operate, it cost me a great effort to capture everything around me during the interview while I was simultaneously taking notes. I tried to do my best and wrote down what I heard and saw during 48 interviews in the context of the Iraqi industrial public sector companies and the Ministry of Industry and Minerals.

The following is my reflection on this stage of interview process:

- Although the majority of these 43 interviews did not help me to fully understand the phenomenon of interest from the responses of the participants in this research, these interviews were very interested in terms of understanding the investigated phenomenon from the context in which the Iraqi decision makers operate. The face-to-face interviews enabled the researcher to form a micro picture of the context of decision-making in the Iraqi public organisation, including how Iraqi decision-makers behave, think and manage their companies.
- Most of the respondents appeared to relax, open up and talk freely about their experiences after they knew about my personal information. I was touched by the way people welcome the researcher and facilitate his/her task when they know that he/she is from the same sect to which they belong.
- The length of interview was dependent on the length of the participants' responses, the clarification of interview questions given when necessary and the interruptions by others during the interview. All the interviews were conducted in the interviewees' offices at their companies.

- As a qualitative researcher, during the interviews, I was constantly aware of the need to ensure that my observations were not influenced by my personal beliefs. I attempted not to overly interpret what I was observing during the interviews.
- Personally, as a researcher, I have benefited greatly from the opportunity to meet this number of Iraqi decision-makers, to engage in the context of the decision-making of these companies, to develop my research skills and capacities, to obtain experience in the elite interview technique of data collection and to conduct interviews in such difficult and dangerous circumstances and areas.

Stage 4: Post-interview activities:

Before each interview, I wrote down my description of the context where I was waiting until the interviewee met me. At the end of each interview, I summarised the content of the interview to ensure that I had correctly understood the participant's responses and to see if he had anything further to add that could aid my understanding. Next, whenever I left the interviewee's office, I always wrote down in my diary what I observed before going back home. Then when I went home, I read over my notes many times and thought over the things that I saw and heard before translating and transcribing the interview data. These data were protected by creating backup copies on an external hard disk drive and on CDs in addition to emailing data to myself.

6.1.2.3.2 Ethnographic Interview:

The ethnographic interview technique was developed in the disciplines of anthropology and sociology as a qualitative data collection method to bring out people's social realities. In the literature, the term 'ethnographic interview' is used interchangeably with the terms, 'informal conversational interview', 'in-depth interview', 'non-standardised interview' and

'unstructured interview'. Minichiello et al. (1990) defined ethnographic interview as an interview in which neither the question nor the response categories are pre-arranged. Instead, the questions and responses rely on the degree of social interaction between the researcher and the participant. Punch (1998) and O'reilly (2012) argue that this technique is a way to study and to understand the behaviour of the members of a society without imposing any a priori structure upon it, which might limit the field of inquiry.

In this type of the qualitative interview technique, the researcher becomes part of the instrumentation. According to Spradley (1979), the way in which an ethnographic interview is conducted has considerable impact upon the depth and quality of the findings of the study. It is an effective data collection method because people who feel comfortable, safe, and are at ease, see themselves more as collaborators in the study, rather than merely as sources of information. The ethnographic interview, according to Spradley (1979), is similar in form to the friendly conversation, but it is more directed in purpose. In order to get rich information, the research should build trust with his or her informative. In addition, the ethnographic interview should begin as a friendly conversation and then turn into a purposeful conversation.

It is important for the reader to know what conditions brought the researcher to utilise this type of data collection in such type of research. As mentioned earlier in this chapter, it was planned that the survey interview technique would be the main data collection method in this study, but it became clear from the first few interviews with key decision-makers from the Iraqi industrial public sector companies, that the researcher would not find the results he expected. At the early stages of this research, the expectation was that it would find a link between two conflicting schools of thought on how strategic choices are made. The first is that the external environment of the organisation shapes its strategic choices, and the second

is that decision-makers play a critical role in determining organisational choices since they shape management's perception of the external environment of their companies.

The environment of decision-making in the Iraqi industrial public sector companies, however, drew the attention to important and influential issues which have been widely ignored in the existing literature. The fact that there are hidden influences in this environment necessitated the need of this study to find more sources of information within these companies, so as to explore beyond the boundaries of decision-makers with the aim of uncovering these influences and developing an understanding of the phenomenon under study. Therefore, the researcher intended to develop personal relationships with some people inside these companies, to the extent of becoming a close friend of them. I entered their houses, shared their food and participated in their private occasions in order to establish trust and listen to their stories about the restructuring choices of their companies. It is noteworthy though that all those people took the initiative to participate in this study to reveal the hidden factors that drove the process of the restructuring choice-making of their companies. Their participation was very important to complete the picture of how restructuring choices were made in the Iraqi industrial public sector companies. It certainly was a worthwhile experience that gives this study its value.

6.1.2.3.3 The Research Diary:

My research diary aimed to both reflect upon and talk about my fieldwork experience in the Iraqi industrial public sector companies. Silverman (2005, p: 251) argues that “the most important thing about keeping a research diary is that it will encourage you to be meticulous in record keeping and reflective about your data.” I relied on the research diary as an element of the research process, consisting of reflective field notes that focused on my observations in the Iraqi industrial public sector companies as well as all the information and stories that I

was told by those people, who volunteered to participate in this study (For further information please see Appendix A: Field notes and research diary). A research diary, according to Silverman (2005), increases the trustworthiness of a research. The research diary is a qualitative data collection method which approximates the real activities of the subjects and helps to better understand their way of life. The research diary can be utilised as an independent data collection method or combined with other qualitative data collection techniques. It complements ethnographic data in many ways, helps to remember what was going on in the fieldwork and functions as a means to reflect the researcher's position in the study (Hastrup 1992; Padgett, 1998; Silverman, 2005).

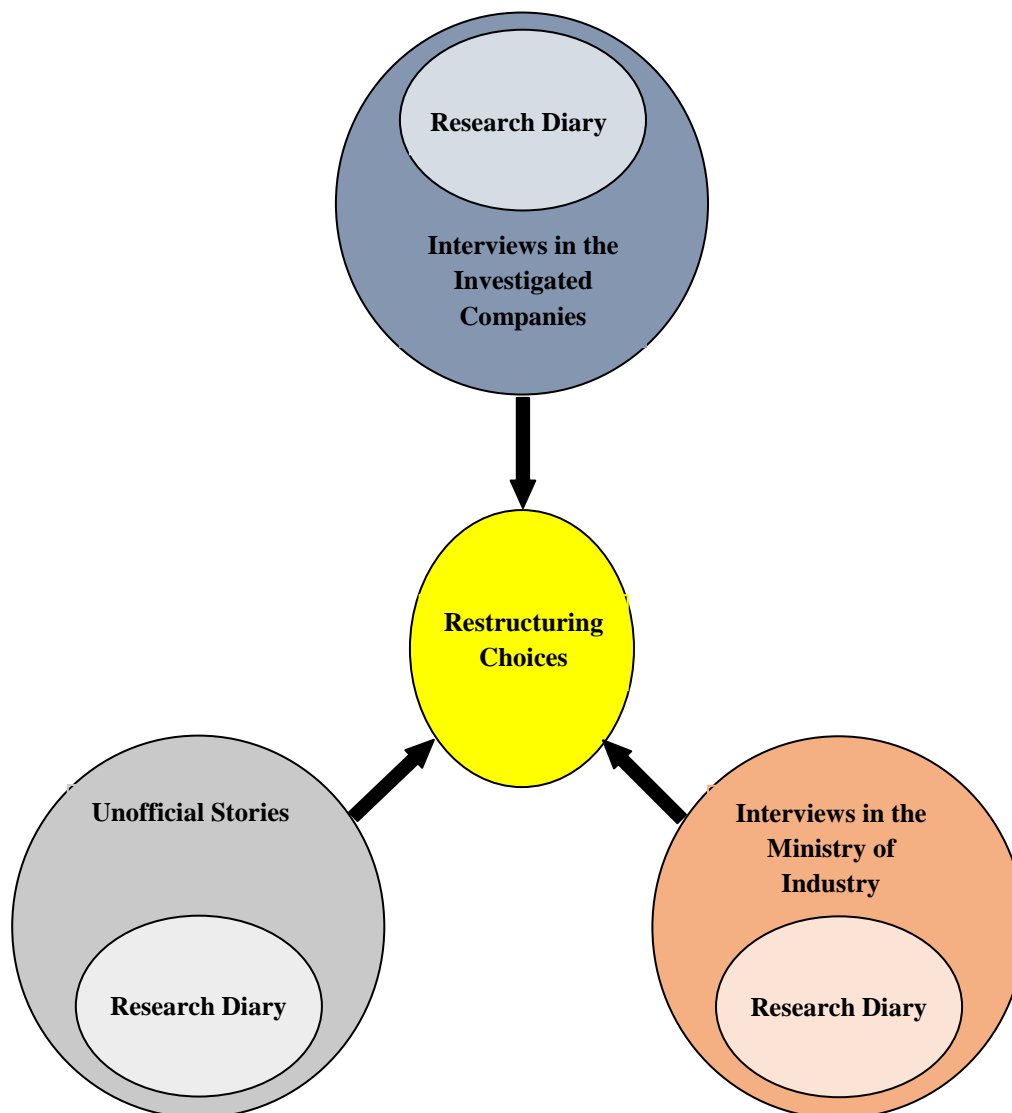
According to Patton (2002), a research diary represents a sense of what transpired during a research process. It is a constant note-keeping process in which the researcher records all the observations and conversations encountered in the fieldwork. It enabled me to document what was going on in my fieldwork in Iraq and to keep record of the respondents and their role in the research process. Moreover, the research diary enabled me to document my personal reflections, emotions and experiences, and to make clear to the reader the atmosphere of conducting research in Iraq.

To sum up, I investigated the phenomenon under study from different angles by gathering information from multiple sources, as shown graphically in Figure (6-2) in the next page.

The first research information gathering technique was the elite interviews with thirty-nine key decision-makers from five Iraqi industrial public sector companies, who participated in the process of the restructuring choice-making of their companies. The second one was also the elite interviews with four role-players from the Iraqi Ministry of Industry and Minerals who are responsible for monitoring and evaluating the performance of the public sector. The third source of information was the stories of unofficial respondents who work in the Iraqi industrial public sector companies under study. The fourth included the field notes and

research diary in which I noted down my observations and reflections on everything in the fieldwork, the interviews in the investigated companies, the interviews in the Ministry, the interviews with the unofficial respondents and the context in which they operated. The field notes and research diary played a central role in documenting what was going on in the Iraqi decision-making context and in complementing the other used data collection methods. The following section explains the process of data analysis and interpretation.

Figure (6-2): The View of the Phenomenon from Multiple Perspectives



(Author's own)

6.1.3 Data Analysis and Interpretation:

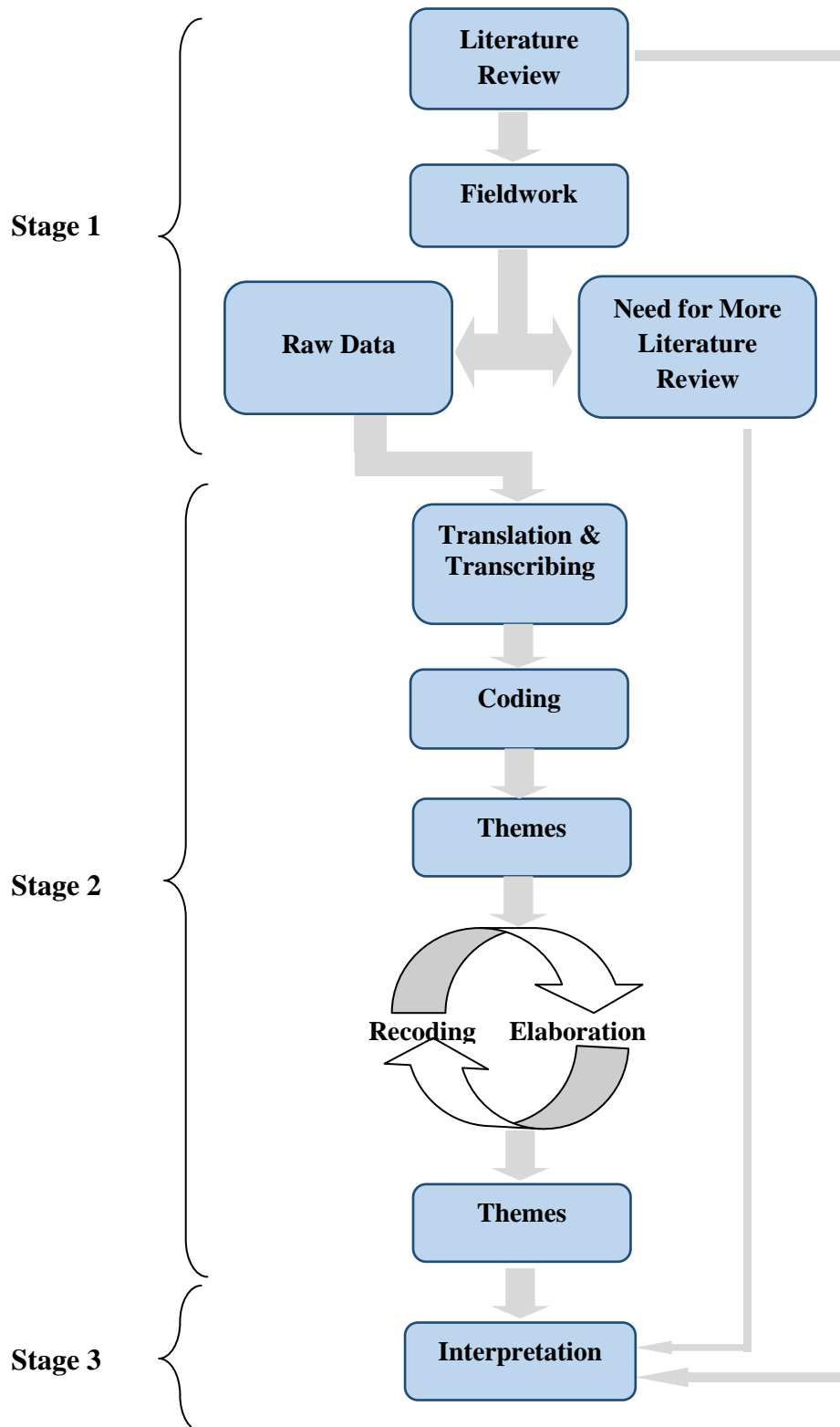
By applying content analysis to analyse the empirical data and to generate meaning, a deep understanding of how the restructuring choices were made in the Iraqi industrial public sector companies will be obtained from the study data. Qualitative content analysis can be broadly defined as “any qualitative data reduction and sense-making effort that takes a volume of qualitative material and attempts to identify core consistencies and meanings” (Patton, 2002, p.453). It is a “research method for the subjective interpretation of the content of text data through the systematic classification process of coding and identifying themes or patterns” (Hsieh & Shannon, 2005, p.1278). Thus, content analysis is a systematic and objective qualitative method used for identifying themes and making sense of the research study data. It allows qualitative researchers to understand the reality of the phenomenon under investigation in a subjective but scientific manner.

The analytical method of this study was based on the interpretive methods described by Terre Blanche and Kelly (2002) to identify key themes and concepts and the relationships between them, as illustrated in Figure (6-3) in the next page.

- Firstly, I have adequately immersed myself in the research material and process. Regarding the theoretical material, when I found out that the empirical evidence led me, to some extent, away from the initial literature which I reviewed in preparation for the empirical phase of the study, I reviewed further literature materials to fill in the gaps between the initial literature and what was going on in the field. Furthermore, I transcribed what was discussed in my interviews with my official and unofficial participants, and what was going on inside and outside the Iraqi industrial public sector companies. This process involved the translation of all interviews and conversations I conducted in the fieldwork in Iraq from Arabic to English. My

research diary was also part of this study's empirical data which I thematically analysed.

Figure (6-3): The Process of Finding Meaning in this Study



(Author's own based on Terre Blanche & Kelly, 2002)

- Secondly, I addressed core themes that represent the reality of decision-making in the context of the Iraqi industrial public sector companies by referring to the best explanation of the facts that I discovered during my fieldwork. Terre Blanche and Kelly (2002) emphasise that discovering themes is the basis of data interpretation. The act of discovering themes is what classic content analysts call qualitative analysis (Berelson, 1952) or latent coding (Shapiro & Markoff, 1997). The qualitative process of data analysis that I conducted to make sense out of my research data was an inductive one, in which the data is examined from a "bottom-up" approach (Creswell, 2005; Warren & Karner, 2010). The research study data was examined to identify more general themes that integrated the evidence of the fieldwork, and then each of these broad themes is broken down into more specific sub-themes that will be used to understand the phenomenon of interest.

The strategy I employed in this study to identify themes was coding. "Codes are labels assigned to units of meaning" (Germain, 2001, p. 296). Coding is used widely in qualitative studies to represent data in a form that facilitates its analysis and interpretation (Weaver & Atkinson, 1994; Warren & Karner, 2010) and shows the reader the strength of this data. I coded meaningful words, phrases, conversations and stories that shaped my understanding of the phenomenon under study. Coded themes that provided the context of what was happening in the fieldwork were collected and grouped so that the reader can find and compare the information easily.

Quantitative researchers develop different methods of coding data. The qualitative data can be coded manually such as cutting and pasting selections, and using coloured pens to distinguish between different themes, or using a software programme such as Atlas.ti, NVivo and MAXQDA. In this study, I did not use any qualitative software package to code my research study data, I simply used my personal preference and

knowledge to collect and group the data into categories of related themes. According to Potter (2002), the researcher is the most sophisticated analytical tool around. In other words, software programmes could not replace the insight and sensitivity of the researcher collecting the data. In this sense, my objective at this stage was to define and describe the dimensions and influences that are necessary to develop an insight into the conditions that constitute the phenomenon of interest.

The process of coding my field data involved three stages. First, I started with “open coding” (Emerson et al. 1995) where the focus was on fracturing raw data into analytical pieces (Glaser, 1978). Second, I proceeded from open coding to axial coding (Corbin & Strauss, 2008) in order to make connections between ideas and to generate themes. Finally, I entered a cycle of elaboration and recoding until I gradually arrived at the conviction that no further themes and connections were emerging from the data.

- Finally, I interpreted the research data that I had analysed by linking the findings of this study and the theoretical background together into a meaningful whole which describes the phenomenon I had studied.

It is worth mentioning that during my fieldwork I was already forming ideas and making assumptions about the phenomenon under study. There is a constant interplay between data collection and analysis (Myers, 2013). Accordingly, data analysis is an ongoing process, and not just something to think about when the process of data collection is completed.

To sum up, the process of finding meaning involved transcriptions of research data by which the researcher converted his raw data into (the spoken words of participants and observations) a written or electronic text document. The next step was coding. Coding was utilised to structure and facilitate the process of data analysis in order to identify themes. This procedure was repeated until I determined that no further themes were forthcoming. The final

step was interpretation in which ideas, evidence and the theoretical background are combined together to provide a deep understanding of how restructuring choices were made in the Iraqi industrial public sector companies.

6.2 The Researcher's Role:

In qualitative research, the researcher is the primary instrument of data collection as well as data analysis (Corbin & Strauss, 2008). My role as a qualitative researcher was to capture and describe the events as they occurred. There were many difficulties which I had to overcome in the fieldwork including the security situation in Iraq. Steps to minimise this difficulty were taken like selecting the industrial public sector companies which are located in relatively secure regions in Iraq and avoiding mentioning the real country where the research will be submitted). Yet, there were other challenges posed by the social and cultural issues. Familiarity with the way in which the Iraqi industrial public sector companies work, with the way the Iraqi respondents think and behave and with the way the Iraqi social structure works was a vital requirement for conducting this research in Iraq. To gain the trust of the participants, it was crucial for me to familiarise myself with the way things work around there. The role of the qualitative researcher is gaining the trust of the participants (Denzin & Lincoln, 2000) which is essential to the success of the empirical part of his/her study.

Once the trust with the respondents was built, I did my best to develop and maintain my capacity as an unbiased observer and data collection instrument. My role was much more than a sponge that simply absorbs data (Rossman & Rallis, 2003); it was crucial for me as a researcher to constantly be aware of my own values and beliefs which might have shaped my view on the investigated phenomenon. These issues are reflected in my field notes and research diary (see appendix A: Field Notes and Research Diary).

As a qualitative researcher, I do not distance myself from the context of the investigated companies as a spectator. A qualitative researcher cannot conduct research, examine the data collected or decide upon the categories which they will use to interpret and understand the collected data without using his/her prior understanding and preconceptions. Therefore, when I realised that it is impossible to understand the key drivers, influences, and conditions that influenced the strategic choices of the investigated companies only by using the elite interview as the main source of data, I tried to find more sources of information in order to bridge the gaps in my understanding of the phenomenon under study and in order for this research to achieve its goal. Therefore, I intended to develop personal relationships with some people inside the investigated companies, to the extent of becoming a close friend of them. I entered their houses, shared their food and participated in their private occasions in order to establish trust and listen to their stories about the restructuring choices of their companies. It is noteworthy that my presence at these companies had stimulated the informal participants to take the initiative to participate in this study to reveal the hidden factors that drove the process of the restructuring choice-making of their companies. For example, when I finished my interview with one of my official respondents at the Engineering-Co and I was waiting for a bus outside the company to go to the hotel where I stay during the interviews period, someone came to talk to me (**Participant U3**) and this is a part of his conversation with me: Hi, I think I saw you at the company's restaurant. I think you are the researcher... how is your research going at our company?... what is your research about?... I would be happy to help you in anyway. I will give you my mobile number because I would like to visit you at the hotel this night if you don't mind..... so, what kind of information you are looking for? (Field Notes, the 28th of March, 2012). This example can help us understand how some people in the context of this study looked at the researcher and how they took the initiative to

participate in the study (see Appendix A: Research Diary for more examples and information).

Within the context of this study, as a qualitative researcher who has conducted about 48 in-depth interviews, I viewed reality as being socially constructed (Glesne, 2011), and emphasised that the meaning of reality is only accessible through the interpretations of people who interact with it. I felt it was crucial to this study to engage in interactions with the participants in an attempt to gain a better understanding of the phenomenon of interest. I also realised that it was crucial to this study to include the dark side of managerial practices and to explain and describe the social and cultural contexts which shape these practices in spite of my awareness of the sensitivity of such matters in our society. I also tried to be unbiased, factual, honest and ethical in the presentation of the data collected in the field research

6.3 Ethical considerations:

Ethics is the consideration and application of frameworks, values and principles for the aim of developing moral awareness and guiding behaviour and action (Woodall & Winstanley, 2001). In other words, ethics is the consideration of what is right or wrong, good or bad, and proper or improper. In scientific research, an ethical consideration is a consideration of what is acceptable, right, good and proper to do in a study. The researcher has always to balance between what he/she wants to find out and the rights of participants. Therefore, as a qualitative researcher, I prepared myself to be a guest in the world of the investigated companies with respect for the participants, the research process and its outputs. Stake (2000) emphasises that ethics is the appropriate way of conducting an inquiry. Accordingly, the manner in which I collected and analysed the data was based on ethical research procedures that have been approved by Essex Business School, University of Essex. All respondents were invited by letter to participate in the study. By signing or giving a verbal consent on this

invitation letter, participants acknowledged their willingness and consent to participate in the study, their understanding of the research process and their consent to their experiences being examined. They also gave consent to the use of the data for research purposes only. Moreover, the participants were informed that if they felt uncomfortable answering or discussing any question at any time during the interview, they had the right to refuse to answer the question and they could even terminate the interview if they felt necessary (see Appendix C: The Invitation and Consent Letter). Further, the invitation and consent letter was translated into Arabic in order to be used for inviting the selected candidates from the Iraqi industrial public sector companies and the Ministry of Industry and Minerals².

Above all, as the unofficial participants provided sensitive data, they were assured of the anonymity and confidentiality of their stories and information. Confidentiality is the duty and responsibility of the researcher who must protect participant's identities (Berg, 2012). Accordingly, I was aware that it was significant to protect participants' identities by using codes instead of the names of participants and their companies and by removing any information that would serve to identify those participants who might be harmed as a result of their participation³. Thus, the real identities have been changed to protect those who were extremely kind to share with me their stories and information about the phenomenon of interest. The five investigated Iraqi industrial public sector companies are referred to as Construction-Co, Textile-Co, Petro-Co, Engineering-Co and Rubber-Co. The top managers of the Construction-Co are referred to as respondent C1, C2, and so on; the top managers of the Textile-Co are referred to as respondent T1, T2, and so on; the top managers of the Petro-Co are referred to as respondent P1, P2, and so on; the top managers of the Engineering-Co are referred to as respondent E1, E2, and so on; the top managers of the Rubber-Co are

² In the Arabic copy of this letter, the researcher withheld some information related to the country where the study will be submitted in agreement with his supervisors for security considerations.

³ My supervisors and I are the only ones who have the full information and background about the Iraqi industrial public sector companies under study and the official and unofficial participants.

referred to as respondent R1, R2, and so on; the decision-makers of the Ministry of Industry and Minerals are referred to as respondent M1, M2, M3, and M4, and the unofficial participants are referred to as participant U1, U2, U3, U4, and U5.

Rubin and Rubin (1995) emphasise that ethical considerations and the need for the maintenance of ethical standards are just as strong in qualitative research as in any other type of research –if not even stronger. They suggest that the qualitative researcher needs to build ethical routines into his/her work to carefully study codes of ethics and cases of unethical behaviour to sensitise himself/herself of situations in which ethical commitments become particularly salient, and to keep thinking and judging what his/her ethical responsibilities are (Rubin & Rubin, 1995). The researcher must be sensitive to the participant's right to privacy, and protection from harm (Denzin & Lincoln, 2000).

6.4 Rigour of the Study:

In qualitative research, the researcher attempts to capture the nature of a phenomenon rather than manipulate it (Lincoln & Guba, 1985; Lincoln & Guba, 2000). Therefore, it is important to show the trustworthiness of the research findings in order for the study to be considered worthwhile (Lincoln & Guba, 1985). In other words, the main aim of conducting a rigorous research is the value of trustworthiness and integrity. Qualitative researchers emphasise that a set of strategies should be implemented to ensure concrete and credible research. In my attempt to conduct a rigorous study, I strived to adhere to the data quality criteria associated with qualitative research, namely triangulation, transferability, authenticity and confirmability.

Data Triangulation: During my fieldwork in Iraq, multiple data sources within and outside the Iraqi industrial public sector companies were utilised to collect data and to ensure

credibility. The first source of data was 39 key decision-makers who participated in the process of restructuring choice-making at five Iraqi industrial public sector companies. The second one was 4 role-players from the Iraqi Ministry of Industry and Minerals, who are responsible for monitoring and evaluating the performance of the Iraqi public sector, including the companies under consideration. The third source was five unofficial respondents from these companies who volunteered to reveal some facts about the process of restructuring choice-making of their companies. The fourth one was the researcher's observations. Moreover, I employed three techniques to collect the data which are: elite interviews, ethnographic interviews and research diary.

Transferability: It refers to the degree to which the findings of qualitative research can be transferred to other contexts or settings. The aim of qualitative research is not to generalise the findings to a larger population or to other contexts, but to gain an in-depth understanding of the phenomenon under consideration (Ghauri & Gronhaug, 2005; Yin, 2009). In qualitative research, transferability is up to the reader who determines whether or not the findings could be applied to other contexts. The role of the qualitative researcher is to provide solid descriptions in order to enable future research efforts to build on these descriptions and to evaluate the degree of similarity with another research context or setting where the findings of the study could be applied (McMillan & Schumacher, 2000; Patton, 2002).

In this study, I provided a detailed description of what was going on in the fieldwork, including the research context, and the social and cultural environment in which the Iraqi decision-maker operates. These descriptions and the findings of this study might provide the reader with a kind of “map” of conducting future research in such or similar contexts and / or circumstances.

Authenticity: Authenticity is an important aspect of qualitative research. It implies that a balanced view of the various perspectives of the phenomenon of interest is taken (Mertens, 2005). To ensure authenticity, I looked at the phenomenon of restructuring in the Iraqi industrial public sector companies from different levels and angles (inside and outside these companies) to explore how restructuring choices were made in these companies and to offer the reader an interesting picture of this phenomenon.

Every effort was made to ensure multiple perspectives are included. I conducted interviews with 39 top managers from five different Iraqi industrial public sector companies located in different regions of Iraq. I also interviewed 4 strategic leaders from different departments in the Iraqi Ministry of Industry and Minerals. Moreover, I attempted to expand the interviews by including viewpoints rarely heard in the Iraqi industrial public sector companies. I engaged in several informal conversations with people from the middle management level of the companies under study and listened to their stories and perspectives on restructuring choices in their companies. I tried to be one of them to explore the world of these companies and the phenomenon under consideration in depth. This allowed me to gain deep insight into the decision-making behaviour in the Iraqi industrial public sector companies. Finally, to ensure authenticity in every aspect of the research process, all the perspectives were carefully considered in the process of data analysis.

Confirmability: Qualitative research tends to assume that each researcher brings a unique perspective to the study. I continuously reflected on the way in which my experiences as an Iraqi person might have formed the quality and depth of my understanding of the phenomenon of interest to become more aware of my own biases and to keep them from influencing my interactions with data (Gilbert, 2001; Kelly 2002). Moreover, I continuously reflected on my field notes and diary in order to minimise bias in my data collection and

interpretation. During my fieldwork in Iraq, I was in contact with my first supervisor to inform him of what was going on there. When I returned to Britain, I met my supervisors and presented the data that I collected in my fieldwork including my research diary. In addition, the reliability or confirmability of this study is further enhanced by utilising multiple data sources and data collection techniques and by including extensive direct quotations of my interviews and research diary in support of the logic I employed to interpret the raw data (Mertens, 1998).

This chapter has presented a detailed discussion of the research process and methodology employed during the empirical phase of this research. It has discussed interpretivism as the chosen research paradigm and methodology. Then, it described the rationale for the selected qualitative research approach which was followed for the empirical part of this research. Also, the chapter described the sampling strategies and the data collection and analysis methods that employed in the fieldwork in Iraq. Finally, the conclusion of the chapter reflects on my role as a qualitative researcher discusses issues of ethical considerations and the rigour of the research. In the next chapter, the findings of the empirical part of this study will be presented in a thematic manner to interpret them in light of the existing literature

Chapter 7

A Thematic Discussion of the Study's Findings

This study is mainly concerned with understanding how restructuring choices have been made in the Iraqi industrial public sector companies thereof in order to deepen the understanding of decision-making in the Arab organisations, in general, and the Iraqi organisations, in particular. Several factors influence the process of decision-making, including factors that are tightly linked to the personality of the decision-maker. Systematic approaches of decision-making assume that decision-makers are rational and make that they make reasoned choices based on a systematic analysis of their organisation's external environment, internal resources and competencies and the expectations and influence of their stakeholders. In other words, they identify the problem, search for strategic options, determine and select the most successful one and finally execute and assess the chosen strategy.

This argument is true if the process of decision-making is automatic and if choice is not made by a person who is influenced by his/her own background, environment, goals and values that influence his/her behaviour. However, the strategic choice theory takes into consideration these personal factors and focuses on the importance of decision-makers and the roles they play in shaping the organisation's strategic action. This point of view, however, focuses only on the formal and official action of decision-makers, ignoring the non-formal and unofficial use of power in organisations and its effect on strategic choice-making. It is a fact that by controlling decision responsibilities, information channels and resource distribution and allocation, powerful dominant coalitions can shape strategic choices in their preferred directions.

This is especially true of Iraqi organisations, where the abuse of organisational power has become the headline news of every single day. The abuse of power in the organisation specifically thrives when the organisation operates in difficult conditions, in which decisions are often made on the basis of personal discretion and perception (Vredenburg & Brender; 1998; Clegg et al., 2006). Hofstede (2010) argues that organisations are embedded in social-cultural contexts that shape collective and individual behaviours, and exert significant influence on the organisation in terms of what the organisation's members bring with them to their organisations such as values, beliefs, attitudes and customs. Previous research stressed that organisational behaviour, managerial practices and decision-making styles emerge from the specific cultural context of a particular society (Hofstede, 1984). This seems a plausible argument since the process of decision-making is a combination of a group of factors, some of which are visible and others are hidden. Decision-making styles vary from one context to another depending on the degree of the influence of the hidden drivers which in turn influences the rationality of decision-makers.

The findings of this study will be presented in a thematic order. Two broad sets of themes were identified before and during the fieldwork in the Iraqi industrial public sector companies. The first theme, identified before going to the fieldwork in Iraq, is related to understanding the visible drivers of the restructuring choices in the Iraqi industrial public companies. This theme was derived from the review of the choice-making literature and research which has been done in non-Arab countries and provided valuable theories for understanding the process of decision-making. The second theme, identified during the fieldwork, is related to understanding the hidden drivers of the restructuring choices, which will complete the picture of the restructuring choice-making process in these companies and fill the gap in the literature, a gap which has resulted from the lack of attention to decision-making in Arab countries. These themes have been grouped as follows:

❖ **Understanding the visible drivers of the restructuring choices in the Iraqi industrial public companies:**

- The external drivers of the restructuring choices
- The importance of the role of the top managers of the Iraqi industrial public companies in the restructuring choice-making process

❖ **Understanding the hidden drivers of the restructuring choices in the Iraqi industrial public sector companies**

- Personal and factional drivers
- Social and cultural influences

This chapter is organised in the following way. Firstly, it gives an overview of what the participants said in their responses to the interview questions. The words of participants are presented in four tables according to the themes that emerged. Then it will explain each of the above themes with the purpose of providing an understanding of the key factors and conditions that has made up the picture of the restructuring choices of the Iraqi industrial public sector companies. It will report some stories told by the individuals who volunteered to participate in the research to uncover what was really going on. This will be followed by commenting on the research diary and observations written by the researcher during the fieldwork in the Iraqi industrial public sector companies and this will contribute to having an insight into the cultural and social environment which determine the way in which Iraqi decision-makers manage their organisations and behave as individuals. Finally, the chapter concludes with a summary highlighting the key points.

7.1 Understanding the Visible Drivers of the Restructuring Choices in the Iraqi Industrial Public Companies:

In trying to understand the drivers that motivated and influenced Iraqi decision-makers to make their restructuring choices in the investigated companies, two themes have been identified:

- The external drivers of the restructuring choices
- The importance of the role of the top managers of the Iraqi industrial public companies in the restructuring choice-making process

7.1.1 The External Drivers of the Restructuring Choices:

Table (7-1): The Words of the Participants Regarding the External Drivers of Restructuring Choice-Making in their Companies

The words of the Participants
<p>Responses to a set of questions about what has been going on in the business environment of the Iraqi industrial public sector companies since 2003 and why the need for restructuring rose:</p> <p>Respondent M1⁴ stated that Iraq was in a dire need for all kinds of goods as a result of the economic blockade that had been imposed on the country from 1991 to 2003. In 2003, the United Nations lifted trade restrictions against Iraq. This situation allowed the entry of imported goods randomly after 2003 and influenced the competitiveness of the industrial</p>

⁴There are two identification codes (letter and number) for each respondent. The letter refers to the institution's name and the number refers to the functional position of the respondent. For example, Respondent C9 is the Director of planning and production control from the Construction - Co, Respondent P5 is the Director of Investment Department from the Petro-Co, and so on. For more information [see table (6-1) Research Population in Chapter 6].

public sector negatively. Therefore, there have been significant efforts directed towards improving the performance of Iraqi companies using restructuring as a strategic tool to cope with this complex situation. **Respondent P1** stressed that the opening up of the Iraqi market to imported goods without any control has negatively impacted the strategic situation of their company. **Respondent T8** highlighted the same issue and said that after the war in 2003, things started to change dramatically and that the Iraqi market started to be more competitive and open to a large number of foreign companies.

This was confirmed by many other respondents. For example, **Respondent P6** said that the changes in the Iraqi political and economic situation that occurred after 2003 have changed the ground rules in the Iraqi market. Therefore, he said that they have to cope with these new rules. **Respondent C9**, for his part, stated that the imported construction products have entered the Iraqi market since 2003. This situation represents a great challenge to the Iraqi public companies. **Respondent T6** emphasised that textile imported products have increased considerably since 2003. **Respondent E4** highlighted that the imported products have increased considerably since 2003 and created a competitive environment in the Iraqi domestic market. This was also confirmed by some respondents who blamed the previous Iraqi regime's policies in the Iraqi industrial public sector companies.

For example, **Respondent C6** stated that the Iraqi market was closed to foreign companies for a long time because of the previous governmental policies, but the market has changed radically since 2003. As a result, the Iraqi market and costumers' requirements have changed considerably. Consequently, every Iraqi company has had to develop their performance and efficiency to cope with these changes. This was also the opinion of **Respondent C5** who stated that the construction market was monopolised by state-owned public companies, but after 2003 the Iraqi market became open to foreign companies, highly competitive and

in stable. **Respondent T7** emphasised that Iraqi companies were operating in isolation from the world during the period of economic blockade from 1990 to 2003. Therefore, they were not ready for the openness of Iraqi markets and the lifting of restrictions as it occurred in 2003; the textile industries sector in Iraq has become more competitive and complex as many foreign companies enter it. **Respondent C3** said that the Iraqi industrial public companies went through very difficult times over the last decades due to the wrong policies of the previous Iraqi regime which focused on military industries and neglected other industries. However, they have turned a new page now and the new competitors have entered the Iraqi market since 2003, so they have to prepare their company to compete the imported products.

Blaming the previous regime was confirmed by **Respondent T4** who said: “We are not used to the competition in our market as Iraq was under economic sanctions for a long time. Therefore we are in a weak competitive position in the Iraqi market, which is witnessing fierce competition between imported textile products from different sources. **Respondent C1** explained that Iraqi public sector companies were dormant for a long time and suddenly they found themselves at the risk of competition with foreign companies in their domestic market. Recently, Iraqi public sector companies have faced a very different market from the one that had been just a few years before 2003, shaped by new technologies, new consumers’ needs and new competitors. There is nothing now which can force the Iraqi consumers to accept a low level of quality as the financial situation of Iraqi people have become much better than it was a few years ago as a result of the changes that occurred in 2003. **Respondent C8** said that as there were no imported products in the Iraqi market, the Iraqi construction companies monopolised the construction market in Iraq. This equation has been radically changed since 2003. The openness of the Iraqi market to foreign companies makes the Iraqi construction companies only one element in the equation, not the unique one.

Other respondents criticised the current government's role as concerns developing Iraqi industrial public sector companies to meet the new challenges in their business environment.

Respondent R5, for instance, said that the absence of a governmental policy for developing the industrial public sector is one of the main causes of the weakness of the Iraqi companies.

Respondent R6 stressed that today's Iraqi market is very unique and quite different from any other market in the world in terms of the fact that it operates in the absence of governmental strategic policies that should form the foundation of the work of the industrial public sector companies. **Respondent C2** stated that Iraqi public sector companies are experiencing a period of radical changes in all aspects and these changes came without any form of governmental support to the Iraqi companies and without any protection provided for the national industry. **Respondent T1** asserted that the Iraqi market has become open to foreign companies since 2003. This openness was not well planned and came quickly, so it added burden to the Iraqi industrial public sector companies.

However, **Respondent M1** contended that the idea of restructuring made its way into the Iraqi industrial public sector companies in the first half of 2004 when the Ministry of Industry and Minerals recommended the necessity of restructuring the public sector companies in order to cope with the radical changes that occurred in the Iraqi market after 2003.

Respondent M3 emphasised that the idea of restructuring is part of the Iraqi government's policy to develop the industrial public sector in line with the significance of the new phase that the Iraqi industrial public sector is facing as a result of the radical changes that occurred in all aspects of life in Iraq after the war of 2003. **Respondent R2** found an excuse for the Iraqi government and said that the unique challenging conditions in Iraq in terms of political and security conditions have had a negative impact on the Iraqi public companies' business environment and have limited the ability of the Iraqi government to support the

industrial sector to cope with the changes that have occurred in the Iraqi market since 2003.

Moreover, some respondents described the Iraqi market as complex, dynamic and unpredictable. **Respondent R3**, for instance, said that their company's business environment has become intensely competitive and so complex, especially in terms of the number of foreign companies that compete in the Iraqi market. For his part, **Respondent R4** said: "Our company's business environment has become characterised by a dynamic and intensive competition since 2003. **Respondent P4** explained that the changes in Iraq generated a high degree of uncertainty in terms of competition, technology and consumer demand, so, their company must find a way to cope with these conditions. **Respondent R7** contended that their company's business environment is becoming so complex and characterised by a large number of competitors.

To sum up, it is clear that the business environment of the Iraqi industrial public sector companies has changed since 2003 as a result of the change in the political regime at that time. Before that date, the Iraqi economy was fully socialist. The state controlled the production and distribution of goods and services through state-owned organisations. After 2003, the Iraqi industrial public sector companies found themselves directly in an open market without the governmental protection that they used to have. Accordingly, these companies tried to adapt to these changes in their business environment by using restructuring as a strategic choice to improve their performance.

Responses to a set of questions about the key reasons behind the phenomenon of restructuring in the Iraqi industrial public sector companies and the considerations that guided the respondents in making their restructuring choices.

Many respondents emphasised the new reality of the competition in the Iraqi market as a key

reason behind their restructuring choices. **Respondent C3** stated that the emergence of foreign competitors in the local market and the change in demands of the Iraqi construction market implied the need to restructure the company in order to improve its efficiency and performance. **Respondent C8** emphasised that the rush of imported products into our market that occurred after 2003 and the impact of foreign competitors on his company's ability and performance highlighted the need for an internal restructuring to increase the company's efficiency. So, the change in the form of the company's business environment was the foundation stone on which the restructuring choice has been built. This was confirmed by **Respondent P2** who stressed that their restructuring choice was a crucial requirement of the petro-chemical industries as they are facing severe competition from imported products. So, the key reason that prompted them to adopt the restructuring choice was the need to cope with the changes in the nature of the Iraqi market. This change was the starting point and the basis for the sense-making process in which they analysed the needs of the company's business environment in order to determine the most effective solutions. **Respondent C1** stated that the reasons that prompted them to adopt their restructuring choice were coping with the openness of the Iraqi market to the regional and international companies and to taking advantage of the foreign experiences. In this respondent's opinion, the change in their business environment was the motivation for making their restructuring choice. **Respondent P4** stated that their restructuring choice was part of their response to the rapid expansion in the Iraqi market. So, the reasons that prompted them to adopt the restructuring choice were the new requirements of competition and the demand in the Iraqi market which have gone up in the last few years. These changes in their business environment forced them to rethink their priorities. **Respondent P7** said that the reason which prompted them to adopt the restructuring choice was the new requirements of competition in the Iraqi market that emerged as a result of the changes that occurred after 2003. The changes that occurred in

their company's business environment were the reason behind the need for and the necessity of a strategic action to improve the company's performance.

This was confirmed by many other respondents who emphasised the necessity of developing their company's internal situation to face the new challenges in their business environment. A case in point is **Respondent R5** who said that they need to be flexible to respond to the demands stemming from the changing circumstances, technologies and competitors. Thus, the main reason that prompted them to adopt the restructuring choice was the need for improving their company's efficiency to be able to cope with the changes in the Iraqi market.

The change in the company's business environment attracted their attention to the critical situation of the company and its need for an internal restructuring to improve its performance in the domestic market. **Respondent R7** emphasised that the reason for restructuring was the need to improve their company's performance and efficiency in order to face the change in the Iraqi market's conditions and requirements. **Respondent R6** stated that the reason which prompted them to adopt the restructuring choice was their company's weak performance which needs to be improved to meet the changes in the requirements of the market in Iraq, especially the imported products and their effect on the company's competitive position.

Respondent E6 said that they found that the best way to solve the problems of their company's equipment and to improve its performance is restructuring its operations and renewing its equipment. Hence, the reason why they decided to adopt the restructuring choice was their company's internal situation in terms of the bad condition of their equipment.

Respondent E3 explained that they resorted to the idea of restructuring in order to withstand the internal bad conditions that their company operated in. The reasons that prompted them to make their restructuring choice were the bad condition of the equipment and its inadequacy for the changes that occurred in the Iraqi market. **Respondent E7** said that their company

completely stopped due to the bad conditions of its equipment. Therefore, the restructuring choice was a necessity to bring life to the company and to improve its performance to cope with the new challenges in the market.

Some respondents highlighted the need of the Iraqi public sector companies for a new approach to face the challenges in their business environment. **Respondent C9** said that the new challenges in the local market that emerged after 2003 led them to think about a way to develop their company's performance in order to meet the changes in the local market and to minimise the impact of these changes on their company. **Respondent P1** said that the reason which encouraged them to adopt their restructuring choice was the need to improve the competitiveness of the company in the local market. The change in the company's business environment highlighted the need for a new approach to efficiently manage its business. This was confirmed by **Respondent C2** who stated that their restructuring choice was a result of their need for a new business model to improve the company's competitiveness in order to cope with the radical changes that occurred in Iraq. **Respondent P8** stated that the restructuring choice was a new business vision of their company. **Respondent P8** also believed that they need to cope with the radical changes that occurred in their market. **Respondent P6** said that one of the key drivers of the restructuring choices in industrial public sector companies is the new vision of the Ministry of Industry and Minerals paying more attention to the importance of the industrial public sector in developing the Iraqi economy.

Other respondents compared between their companies' technical situation and the capacity of the foreign competitors. **Respondent P2** contended that while the Iraqi market has become a target for many companies, their own company is suffering from technical problems as a result of the negligence of the current and past regimes. **Respondent T3** stated that textile

imported products have increased significantly since 2003 and negatively affected the domestic textile industry. These products have new manufacturing technologies of production compared with Iraqi products. **Respondent T5** emphasised that the changes in the Iraqi market which occurred after 2003 have demonstrated the need of domestic textile industries for superior technology to support these industries in competing the imported products which are better due to the use of advanced technologies. **Respondent P7** declared that although their company is one of the largest companies in the sector of petro-chemical industries, it has failed to be competitive due to the technical capacity of the companies which have entered the domestic market since 2003.

A number of respondents shed light on the new opportunities that exist in the Iraqi market as a driver underlying their restructuring choice. **Respondent R4** stated that the idea of their restructuring choice was generated for the company to take advantage of investment opportunities that exist in the Iraqi market by focusing on new rubber products. The change in their business environment, **Respondent R4** continues, was the starting point when those involved in rubber industries in Iraq realised the need to act quickly and take to advantage of the new opportunities in the domestic market. This was also stressed by **Respondent R7** who said that in the restructuring choice-making process they focused on the opportunities of developing rubber industries in Iraq. **Respondent P6** said that the reasons which prompted them to adopt their restructuring choice were the opportunities in the local market that appeared after 2003 as a result of the new needs and the new trend of the local market after 2003. **Respondent T7** stated that the reasons which prompted them to adopt the restructuring choice were the opportunities that exist in the market and the challenges that the industrial public sector companies were facing. The emergence of these new opportunities was the framework within which they developed their vision of the restructuring choices that they

made. **Respondent R2** emphasised that their company became more aware of the opportunities which exist in its field. So, taking advantage of these opportunities was the key driver which prompted them to adopt their restructuring choice. **Respondent R3** said that the restructuring choice was often made to cope with the challenges that their company faced after 2003 and to take advantage of the opportunities that the company's business environment provides. **Respondent P5** said that the reasons which led to the restructuring choice were the changes in the company's business environment and the vision of the opportunities and challenges that were facing the company. The opportunities and challenges in the company's business environment were the point at which the need for restructuring the company was realised. **Respondent M3** pointed out that the reasons which led their companies to adopt their restructuring choices were the following: taking advantage of the opportunities that existed in the Iraqi market and facing the challenges which occurred as a result of the changes that took place after 2003.

Other respondents considered the public interest – stakeholders' goals and interests – to be a key driver in the restructuring choice-making process of their companies. **Respondent C2**, for instance, declared that the reasons that drove them to adopt the restructuring choice were the need to cope with the radical changes that occurred in the Iraqi market after 2003, the need to maximise the competitive position of the company and the need to maximise the public interest. In the restructuring choice-making process, **Respondent C2** was mainly concerned about the fact that the chosen restructuring strategy must ensure public interest. **Respondent T2** further explained that the restructuring choice of his company was to cope with today's Iraqi business environment, which is vastly different from that which had existed before 2003. In the new business environment, the Iraqi consumer has become more interested in the quality and the Iraqi market has become intensely competitive. The reasons

that prompted the restructuring choice to be made in the company of Respondent T2 were the need to cope with the changes in the company, the market's requirements and trends and the need to achieve the public interest by developing the national industry. In the restructuring choice-making process, **Respondent T2** focused on ensuring the public interest. As for **Respondent T3**, he said that making their restructuring choice was due to the flow of the imported products into the market, the managers' willingness to develop the company's performance and their willingness to maximise the public interest by meeting the specific needs of the Iraqi local market and avoiding the waste of the public money. In the restructuring choice-making process, **Respondent T3** adds, he was mainly concerned with maximising the public interest as a target. **Respondent C4** stated that adopting the restructuring choice of their company was due to the conditions of their company's market, which have been changed radically since 2003. The considerations that guided him as a member of the Board of Directors in making the restructuring choice were as follows: ensuring that the Ministry's goals are considered in the restructuring choice-making process and ensuring that the selected restructuring choice meets the requirements of the Iraqi market and contributes to the development of the Iraqi industrial public sector. In the restructuring choice-making process, **Respondent C4** focused on maximising the public interest through considering the Ministry's goals of restructuring and on the impact of the instability of legislation stemming from the political instability in Iraq. **Respondent E6** said that in the process of restructuring choice-making, he focused on how to achieve the Ministry's goals of developing the industrial public sector.

Respondent T2 drew the attention to the Iraqi consumer as an influential factor and said that the textile products market in Iraq is quite different from that which existed before 2003. After that date, the Iraqi consumer started to look for better quality and price and the Iraqi

market itself started to become unpredictable. This was confirmed by some other respondents. For instance, **Respondent E1** emphasised that their company's market has changed since 2003 in terms of demanding high quality products, lower cost and faster production. **Respondent E6** stated that engineering industries in Iraq today face a very different market in terms of technology, consumers' needs and competitors. In a similar vein, **Respondent E7** said that the Iraqi market has changed radically since 2003 in terms of competition, technology, consumers and demand. Further, **Respondent C4** raised the issue of the change in regulations and stated that the Iraqi market has changed radically since 2003 in terms of competition, technology, consumers, demand and regulations.

Moreover, the political instability and security risks in Iraq were two of the considerations that determined the selected restructuring choices in the Iraqi industrial public sector companies. **Respondent C9** clarified that in the process of restructuring choice-making, their concerns were always about how their company would be able to cope with the Iraqi market's transition from the centrally planned and closed economy to the open economy in the absence of political stability. The Iraqi market has opened the door widely to the imported products without providing any protection for national industries. The political conflicts hinder the legislation of laws which are needed to protect them and organise the entry of the imported products to the Iraqi market. **Respondent P7**, for his part, explained that the challenges arising from the security situation in Iraq determine their company's ability to respond to the needs of the changes in the Iraqi market and determine the restructuring choices as there were no foreign companies wanting to come to Iraq to implement development projects due to the security situation. **Respondent P1** said that in the restructuring choice-making process, they were concerned about the impacts of security and the political situation in Iraq on the stability of the Iraqi market and on the attraction of

investors to the Iraqi market. The opinion of **Respondent T6** is that the security situation in Iraq impacts the investment possibilities and their company's daily work and this situation is taken into account in every decision they make. **Respondent M3** pointed out that there were many considerations that influenced the restructuring choice-making in the Iraqi industrial public sector companies. One of these considerations was the bad security situation in Iraq and its impacts on the public sector companies' performance. It becomes a stumbling block in the way of the development of these companies.

In conclusion, it is evident that the changes in the business environment of the Iraqi industrial public sector companies, which created a new reality of competition in the Iraqi market, was the key reason behind the restructuring of these companies. A couple of years ago, these companies started to think about a way to improve their performance and change their internal situation to adapt to these changes. Moreover, there was a set of considerations, in addition to the changes in the business environment of these companies, which guided the Iraqi decision-makers in making their restructuring choices. These included the new opportunities that exist in the Iraqi market, the Ministry's goal of developing the industrial public sector, the political and security instability in Iraq and the changes in Iraqi consumers' preferences.

Sense-Making and the Discussion of Key Themes and Issues:

In terms of the role of the external drivers in the restructuring choice-making process in the Iraqi industrial public sector companies, there seems to be the perception that the changes in the business environment of these companies play an important role in generating the idea of restructuring in these companies and then in shaping their restructuring choices. **Respondent**

M1 discussed the fact that Iraq was in a dire need for all kinds of goods as a result of the economic blockade that was imposed on the country from 1991 to 2003. In 2003, the United Nations lifted trade restrictions against Iraq. This situation opened the door for the entry of imported goods randomly after 2003 and influenced the competitiveness of the industrial public sector negatively. Therefore, there have been significant efforts made towards improving the performance of public sector companies using restructuring as a strategic tool to cope with this complex situation. It is true that the previous regime's policies, which had driven Iraq further away from the international community, impacted all aspects of life in Iraq. Regarding the Iraqi industrial public sector, the previous regime neglected this sector to a large extent and concentrated all its efforts on building and developing the military industries. The majority of Iraqi Industrial public companies have been established in the 1960s and 1970s. Most of these companies have not witnessed any development since their inception and some of them have been completely out of order for a long time. For instance, the Engineering-Co is one of the largest companies in the sector of engineering industries. This company was founded in the 1970s. It completely stopped during the first and second gulf wars, in 1980 and 1991 respectively. Then, it started with a very limited production because of the impact of the economic sanctions which were imposed by the United Nations on Iraq from 1991 up to 2003.

Consequently, Iraqi public sector companies did not get used to the competition in the Iraqi market. **Respondent T4** said: "We are not used to competition in our market as Iraq was under economic sanctions for a long time". For a very long time, the Iraqi market depended on the national industries to meet its needs but without paying attention to the quality as there was a dire need for everything because of the impact of the economic sanctions on Iraq at that time. Iraqi people were forced to accept a low level of quality as there were no alternatives available in the Iraqi market. In 2003, the economic blockade on Iraq was lifted and the

imported goods began flowing to the Iraqi market bringing new technologies and better qualities of which Iraqi people were deprived. Many respondents underscored this issue, as for example **Respondent C1**, who said: “Iraqi public sector companies were dormant for a long time and, then, suddenly they found themselves at risk due to the competition with foreign companies in their domestic market. Recently, Iraqi public sector companies have been facing a very different market from that which existed a few years ago before 2003. The new market is shaped by new technologies, new consumers’ needs and new competitors. There is nothing now that can force the Iraqi consumers to accept a low level of quality as the financial situation of people is becoming much better than it was a few years ago as a result of the changes which have occurred since 2003”. **Respondent C5** also believes that “the constricted market was monopolised by state-owned public companies, but after 2003, the Iraqi market became open to foreign companies, highly competitive and instable”. Similarly, **Respondent C6** said: “The Iraqi market was not open to foreign companies for a long time because of previous governmental policies, but our market has changed radically since 2003. As a result, our market and customers’ requirements have changed considerably”.

Thus, the changes that took place in the business environment of the Iraqi public sector companies after 2003 uncover the inability of these companies to deal with these changes without developing their internal capabilities. **Respondent C8** emphasised that saying: “The rush of imported products into our market after 2003 and the impact of foreign competitors on our company’s ability and performance highlighted the need for an internal restructuring to increase our company’s efficiency”. This was confirmed by many respondents who emphasised the necessity of improving their company’s internal conditions to face the changes in their business environment. For example, **Respondent R6** contended saying: “The reasons that prompted us to adopt our restructuring choice were our company’s weak performance that needed to be improved to meet the changes in the requirements of our

market, specially the imported products and their effect on our competitive position”, and **Respondent E6** said: “We found that the best way to solve the problems of our company’s equipment and to improve our company’s performance is to restructure its operations and renew its equipment. So, the reasons that prompted us to adopt our restructuring choice were our company’s internal situation in terms of the bad condition of our equipment”. **Respondent E3** said: “The reasons that prompted us to adopt our restructuring choice were the bad condition of our equipment and its inadequacy for the changes that occurred in our market”. For his part, **Respondent E7** stated the following: “Our company completely stopped due to the bad conditions of its equipment. Therefore, the restructuring choice was a necessity to bring life to our company and to improve its performance to cope with the new challenges in our market”.

Thus, the current Iraqi government has inherited a heavy legacy of the mistakes of the previous regime and a damaged environmental infrastructure. The government’s priorities have been given to the reforms which are needed more than others. **Respondent M3** emphasised that “the idea of restructuring is part of the Iraqi government’s policy to develop the industrial public sector in line with the significance of the new phase that the Iraqi industrial public sector is facing as a result of the radical changes that occurred in all aspects of life in Iraq after the war of 2003”. **Respondent M1** stated that “the idea of restructuring made its way into the Iraqi industrial public sector companies in the first half of 2004, when the Ministry of Industry and Minerals underscored the necessity of restructuring the public sector companies in order for them to cope with the radical changes that occurred in the Iraqi market after 2003”. However, the political conflict and the bad security situation in Iraq hinders the ability of the Iraqi government to withstand the difficulties that face Iraqi public sector companies today. For his part, **Respondent R2** said: “The unique challenging conditions in Iraq in terms of the political and security conditions have a negative

impact on the business environment of the Iraqi public companies and limit the ability of the Iraqi government to support the industrial sector to cope with the changes that have occurred in our market since 2003".

As appears from the historical background above, the idea of restructuring in the Iraqi industrial public companies was generated as a result of the changes that occurred in the business environment of these companies after the 2003 events as the above-quoted Respondent M1 declared. The key drivers of the new business environment that contribute to completing the picture of the restructuring choice-making of the Iraqi industrial public companies are: foreign competitors, the new Iraqi consumers' needs, the opportunities in the Iraqi market, political and security instability and stakeholders' goals and interests.

Foreign Competitors: It is important to understand that there is no competition between Iraqi Industrial public sector companies, or between them and other Iraqi companies, including the private Iraqi companies because all the important Iraqi companies are either state-owned or are joint-stock companies in which the state holds a controlling interest. Therefore, the term of foreign companies refers to the non-Iraqi companies which are competing in the Iraqi market and have a market share in it. **Respondent T8** stressed the following: "After the war in 2003, things started to change dramatically and our market started to be more competitive and open to a large number of foreign companies". Moreover, it is important to note that there are no foreign companies established in Iraq, but there are imported products in the Iraqi market. Most of these imported products come from China, Turkey, Iran, Syria and Egypt. These products control the majority of the Iraqi market. Such products compete each other to get the biggest market share in Iraq. The weakest competitors in the Iraqi market are the Iraqi industrial public sector companies which are suffering from

many difficulties such as the lack of technological development, security and infrastructure.

Respondent P1 stated that “the opening up of the Iraqi market to imported goods without any control has negatively impacted the strategic situation of our company”.

The New Iraqi Consumers’ Needs: One of the most important achievements of the Iraqi regime change in 2003 is a significant improvement in the income level of the Iraqi individual. The increase in the income level is normally expected to cause changes in the consumers’ behaviour and preferences in terms of their view of technology, quality, prices and services. **Respondent T2** said: “The textile products market in Iraq is quite different from that which existed before 2003. The Iraqi consumer looks for better quality and price”. In this respect, **Respondent E1** emphasised the same issue and said: “our company’s market has changed since 2003, in terms of demanding high quality products, lower cost and faster production”. These changes in Iraqi consumers’ needs put a huge pressure on Iraqi industrial public sector companies as they are the unique target of these companies”.

The Opportunities in the Iraqi Market: The Iraqi market is one of the biggest markets in Arab countries. The changes in Iraq which took place in 2003 created a huge number of new business opportunities in the Iraqi market as the country was in a dire need for all kinds of development in every aspect of it, starting with people and ending with organisations. In this regard, **Respondent R4** said: “The idea of our restructuring choice was generated for our company to take advantage of the investment opportunities that exist in the Iraqi market by focusing on new rubber products. The change in our business environment was the starting point when those involved in rubber industries in Iraq realised that they have to act quickly and take advantage of the new opportunities in the domestic market”. This was confirmed by

many respondents, as for example, **Respondent P6** who said: “The reasons that prompted us to adopt our restructuring choice were the opportunities in our local market which appeared after 2003 as a result of the new needs and the new trend of the local market after 2003”, and **Respondent R2** who emphasised saying: “Our company is becoming more aware of the opportunities that exist in its field. So, taking advantage of these opportunities was the key driver which prompted us to adopt our restructuring choice”.

As Iraqi industrial public sector companies are state-owned companies, they are given priority to take advantage of business opportunities that come from the governmental bodies. From my experience in the field of internet network services, any governmental internet project has to be implemented through the company of information systems, which is a state-owned company. This priority motivates Iraqi industrial public sector companies to attempt to improve their performance to take advantage of these opportunities.

Political and Security Instability: The political conflict in Iraq coupled with the security instability made the business environment of Iraqi industrial public sector companies more complex and unpredictable. The political conflict is a stumbling block to the legislation of laws in Iraq, including the laws governing the work of those companies. **Respondent C9** said: “In the restructuring choice-making process, our concerns were about how our company would be able to cope with the Iraqi market’s transition from the centrally planned and closed economy to the open economy in the absence of political stability. The Iraqi market has opened the door widely to the imported products without providing any protection for the national industries. The political conflicts hinder the legislation of laws which are needed to protect them and organise the entry of the imported products to the Iraqi market”. From another perspective, the bad security situation in Iraq plays an important role in the

deterioration of the performance of the Iraqi industrial public sector companies through killings and the displacement of the Iraqi competencies and through the terrorist attacks which hinder the daily work of those companies. **Respondent T6** stated the following: “The security situation in Iraq impacts the investment possibilities and our company’s daily work. This situation is taken into account in every decision we make”. **Respondent M3** said: “There were many considerations that influenced the restructuring choice-making in Iraqi industrial public sector companies. One of them was the bad security situation in Iraq and its impacts on the performance of our companies. It has become a stumbling block in the way of the development of our companies”.

The following extracts are taken from the research diary notes with all the observations and without any editing:

Today, I had two appointments the first of which was with the Director of the Administrative Department at 10:30 am and the second with the General Manager at 12:30 pm. I left home early this morning at 7:30 to avoid the heavy traffic in the city. I arrived at about 9:00 am to the company and was surprised to see that nobody was in the office of the Director of the Administrative Department though the working day starts at 8 am. When I asked a cleaner about this, he said: “This usually happens due to the traffic and explosions; do not worry, they will come”. I waited outside the office until the employees started to arrive. The Director of the Administrative Department came at 12:15 pm. He said to me: “I have lots of delayed work, so you can either wait until I finish my work or come tomorrow morning. I replied “I am going to interview the General Manager, and then I will wait for you” (Field Notes, the 11th of March, 2012).

Stakeholders' Goals and Interests: As the Iraqi industrial public sector companies are state-owned companies, the goals and interests of the Iraqi Ministry of Industry and Minerals have to be considered in the restructuring choice-making process. This was confirmed by many respondents who emphasised that they gave a special attention to achieve the Ministry's goals in the decision-making process in their companies. For example, **Respondent C4** stated the following: "The considerations that guided me as a member of the Board of Directors in making the restructuring choice were ensuring that the Ministry's goals are considered in the restructuring choice-making process and ensuring that the selected restructuring choice meets the requirements of the Iraqi market and contributes to the development of the Iraqi industrial public sector". **Respondent E6**, for his part, said: "In the restructuring choice-making process, I focused on how to achieve the Ministry's goals of developing the industrial public sector". Similarly, **Respondent E6** said: "In the restructuring choice-making process, I focused on how to achieve the Ministry's goals of developing the industrial public sector".

Although these companies are self-funded, the Ministry of Industry and Minerals plays a significant role in determining the general policy of the industrial sector. In particular, the role of the Department of the Public Sector in the Ministry of Industry and Minerals is to prepare information and indicators to establish industrial development policies based on well-defined economic concepts. Another role of the Ministry is monitoring and following up the performance indicators of the companies in the relevant industrial public sector based on a well-defined deliverable setting with the least level of direct intervention.

The following section presents the responses of the decision-makers of the investigated Iraqi industrial public sector companies to the interview questions in order to examine their role in the restructuring choice-making process and to determine how significant their role was in this process.

7.1.2 The Importance of the Role of the Top Managers of the Iraqi Industrial Public Companies in the Restructuring Choice-Making Process:

Table (7-2): The Words of the Participants Regarding Their Role in the Restructuring Choice-Making Process in Their Companies

The Word of participants
<p>Responses to a set of questions asked to conceptualise the role of the decision-makers of the Iraqi industrial public sector companies in the restructuring choice-making process, and whether their restructuring choices were freely made or were an inevitable result of the changes that occurred in the business environment of their companies.</p>
<p>The Construction-Co:</p> <p>Respondent C7 explained saying: “The idea of restructuring is not a new idea in our company. It was adopted twice: in the 1997 and 1999. We always respond to changes that affect our company’s business. The selection of our restructuring choice was based on the depth of our experience in the Iraqi market, which is our guide to provide solutions to the most complex problems. It is important to explain that the organisational response to a strategic situation vary from one company to another, as they are different in their understanding of it. Therefore, we made our restructuring choice based on our understanding of the events that occurred in the domestic market after 2003”. This was also the view of Respondent C5 who said: “As we are always looking for ways to improve our company’s performance, the reason that prompted us to adopt our restructuring choice was our willingness to improve our company’s performance to cope with the changes that occurred in its business environment. Our analysis and evaluation of what was going on in our market</p>

determined the kind of the restructuring choice which fits our company's internal situation".

Respondent C6 explained saying: "The company's external circumstances identified the general framework of the required action, but we selected the best possible restructuring choice to cope with these circumstances. The adoption of our restructuring choice was based on our experience that gives us the ability to formulate the most effective solutions and to assess the effectiveness and usefulness of the chosen solution". This was confirmed by **Respondent C1** who said: "The change in our business environment was the motivation for making our restructuring choice, but it was only a starting point in the restructuring choice-making process. Our interpretation of this change was the key to select our company's restructuring choice". In a similar vein, **Respondent C2** said: "Our perception of what is in the public interest and of the company's external requirements determined our restructuring choice", and **Respondent C4** said: "Our ability to understand the changes that occurred in our market built up our perception of the needed action". **Respondent C3** pointed out saying: "Our company's restructuring choice was freely made based on our understanding of our market requirement".

The Textile-Co:

Respondent T6 stated the following: "The change in our company's external circumstances does not mean anything if we do not understand and interpret it, if we do not build a clear perception of the impact of events on our company and if we do not perfectly select the required action". **Respondent T3** said: "Our understanding and perception of what was going on in Iraq were the key in shaping our company's future. So, undoubtedly, our restructuring choice was based on our success in having a clear idea of what was going on and what the solution is". As for **Respondent T5**, he said: "Our experience is the key to understand the Iraqi market trends and to select the right choice that meets our consumers' needs. Our

company's restructuring choice was made according to our understanding of the new situation of the Iraqi market. This was also the opinion of **Respondent T1** who said: "Our restructuring choice was completely based on our understanding of our customers' needs and our experience and ability to find the best way to meet their needs".

Respondent T4 explained saying: "Our restructuring choice was dependent on our vision of the opportunities in the Iraqi market's future and our willingness to improve our company's performance". **Respondent T8** emphasised the same issue and said: "Our understanding of the opportunities that exist in our market and our identification of the challenges facing our company were the key in our restructuring choice-making". **Respondent T7** said: "We freely made our choice based on our willingness to improve our company's performance to meet the new requirements of the local market". **Respondent T2** stated the following: "We freely made our restructuring choice. It was made according to our adequate understanding of the trend of events in the domestic market".

The Engineering-Co:

Respondent E2 said: "The internal and external situations of our company contributed to generating the idea of restructuring and we developed this idea to be a choice based on our understanding of these situations". This was also confirmed by **Respondent E7** who said: "The internal situation of our company determined the need for restructuring and we determined the kind of restructuring choice that met this need. Thus, the whole process of choice-making was based on our understanding, our evaluation and our experience that completed the picture of the needed action".

Respondent E1 pointed out that choices are different as they are made by different people who have different evaluations and interpretations of a particular situation, so, he continues

saying: “Our restructuring choice was made depending on our evaluation and interpretation of the situation in our market”. Again, this was the opinion of **Respondent E5** who said: “Our restructuring choice was based on our understanding of our company’s internal situation and the Iraqi market’s trend. **Respondent E4** said: “The selection of the restructuring choice was to a great extent influenced by our perception of the Iraqi market future and of how we want to respond to it”. **Respondent E6** said: “Our company’s restructuring choice was freely made as it was decided as a result of our vision and our evaluation of the internal and external conditions”.

The Petro-Co:

Respondent P4 said: “The selection of our restructuring choice was based on our understanding of what was going on in the Iraqi market and its possible impact on our company’s future, as well as our perception of what was the best restructuring choice which met our expectations”. This was also the opinion of some other respondents in the company.

Respondent P2, for example, said: “Our understanding of the new nature of our market and its requirements was the key to make our restructuring choice”. **Respondent P5** said: “The restructuring choice-making process in our company was built on our perception and expectation of what our market would be”. **Respondent P8** stressed the same point saying: “The restructuring choice was our selection and it built on our understanding of how the circumstances in Iraq have changed and on our perception of the future”. **Respondent P6** pointed out the following: “Our understanding of our opportunities and challenges and our judgment of what was the best for our company and public interest made up the picture of the needed action”.

Other respondents balanced between their role as decision-makers in the choice-making process and the impact of the changes in their external business environment on their choice.

A case in point is **Respondent P7** who explained saying: “The changes that occurred in our company’s business environment were the reason for the need for and the necessity of a strategic action to improve our company’s performance, but our restructuring choice was based on our understanding of these changes, our vision of the Iraqi market future and our expectations for the future”. **Respondent P1**, in his turn, said: “To be honest with you, the changes in our company’s business environment which took place after 2003 imposed on us the idea of changing our internal situation. We selected the best possible way to cope with these changes based on our evaluation of the new requirements of our business environment”. Also, **Respondent P3** stated the following: “In general, the strategies of the Iraqi companies have so far been reaction strategies, but that does not mean that our restructuring choice was only a reaction choice. We have a space of freedom in which we can use our experience and knowledge to understand, to generate alternatives and to choose the best one”.

The Rubber-Co:

Respondent R4 pointed out saying: “The change in our business environment was the starting point when rubber industries in Iraq realised that they have to act quickly and take advantage of the new opportunities in the domestic market. The restructuring choice of our company was a result of my success and the success of my management team to analyse the trend of events in the Iraqi market and to select the best possible choice that met our company’s goals”. Similarly, **Respondent R1** said: “Our restructuring choice, to a great extent, depended on our success to analyse and understand the impact of the change in the Iraqi market on our company’s future and on our ability to translate our understanding into alternatives and select the best possible one that achieved our company’s goals”. **Respondent R2** said: “Our restructuring choice was determined by our assessment of the opportunities that existed in our market”.

Respondent R3 also argued saying: “Our restructuring choice was an outcome of a complete perception of the opportunities and challenges that existed in the domestic market” and **Respondent R7** said “Our willingness to improve our company’s efficiency and competitiveness, our experience in our market and our perception of the whole situation in Iraq were the key in making our restructuring choice”. As for **Respondent R5**, he said: “The change in our business environment attracted our attention to the critical situation of our company and its need for an internal restructuring to improve its performance in the domestic market, but our restructuring choice was shaped by our perception of how to improve our company’s performance. So, I think that the same situation may be perceived and treated differently if other people were in our position”. **Respondent R6** said: “Our restructuring choice was not a result of a change that occurred in our business environment, rather it was a result of our understanding of this change”.

The Ministry of Industry and Minerals:

Respondent M4 stated the following: “The idea of restructuring isn't new. Like many other countries that have had similar political and economic situations, restructuring gives several choices in which we can develop our industrial public sector to meet the requirements of the political and economic changes that occurred in Iraq after 2003. Thus, our willingness [the Ministry of Industry and Minerals] to develop the industrial public sector companies promoted our companies to restructure themselves. In my opinion, the restructuring choices of Iraqi public sector companies were freely made by their leaderships because they have managerial and financial autonomy. This means that the decision-makers of these companies are not bound by any government bodies. So they built their perception of the market situation and selected the way in which they can achieve the goals of their companies”. This was confirmed by **Respondent M3** who said: “Although the restructuring choices came as

responses to the changes in the business environment of the Iraqi public sector companies, the selection of these restructuring choices was not influenced by any outside factors, including the Ministry of Industry and Minerals. Hence, the restructuring choices of the Iraqi public sector companies were based on the evaluation of the top managers of these companies.

To sum up, it seems that the decision-makers of the selected Iraqi industrial public sector companies were rational in making their restructuring choices. They analysed the internal and external environments of their companies, built up a perception of the strategic situation of their companies and then generated a number of restructuring choices in order to select the best fit for the needs of their companies.

Sense-Making and the Discussion of Key Themes and Issues:

In terms of the role of Iraqi decision-makers in the restructuring choice-making process, the responses to the interview questions demonstrate that the top managers of the Iraqi industrial public sector companies under study thought that they were role players in the restructuring choice-making of their companies. Therefore, it is useful to get insights into the importance of their role because this gives an idea of the degree of significance of their impact on the restructuring choice-making process, specifically on the selection of the restructuring choice. Making a successful and rational strategic decision requires a deep review and analysis of the organisation's internal and external conditions which, in turn, greatly depends on the ability of decision-makers, on the quality of the needed information and on how this information is processed and dealt with.

The interviewed top managers of the Iraqi industrial public sector companies thought that they were rational and that they made the right choices based on the analysis of their organisation's external business environment, internal resources, competencies and the expectations of their stakeholders. For instance, **Respondent C5** said: "Our analysis and evaluation of what was going on in our market determined the kind of the restructuring choice that fits our company's internal situation". **Respondent R4**, the General Manager of the company, stated the following: "The restructuring choice of our company was a result of my success and the success of my management team in analysing the trend of events in the Iraqi market and selecting the best possible choice that met our company's goals" This was confirmed by **Respondent R1** who said: "Our restructuring choice, depended to great extent on our success in analysing and understanding the impact of the change in the Iraqi market on our company's future and on our ability to translate our understanding into alternatives and select the best possible one that achieved our company's goals".

Accordingly, one factor affecting the choice-making process in the Iraqi industrial public sector companies is the way in which the managers have analysed their companies' business environment in order to select the best possible restructuring choice that met the requirements and goals of their companies. The other important factor is the analysis of the external environment for which the Iraqi industrial public sector companies provided information and on which the top managers of the companies under study depended to make the rational judgment. They developed an understanding of what was going on in their business environment, enhanced their understanding of their internal strengths and weaknesses and then decided the required action. **Respondent R5** said: "The change in our business environment attracted our attention to the critical situation of our company and its need for an internal restructuring to improve its performance in the domestic market". This was confirmed by **Respondent R4** who declared the following: "The change in our business

environment was the starting point when the rubber industries in Iraq realised that they have to act quickly and take advantage of the new opportunities in the domestic market” and by **Respondent C1** who said: “The change in our business environment was the motivation for making our restructuring choice”.

Thus, it can be argued now depending on the interviews that the role of the top managers was ensuring the alignment of the internal situation of their companies to the changes that occurred in their business environments. **Respondent T8**, for example, stated the following: “our understanding of the opportunities which exist in our market and our identification of the challenges facing our company were the key in our restructuring choice-making”. Again, this was the viewpoint of **Respondent P6** who said: “Our understanding of our opportunities and challenges and our judgment of what was best for our company and for the public interest made up the picture of the needed action”. Moreover, **Respondent R2** said: “Our restructuring choice was determined by our assessment of the opportunities that existed in our market”. This was confirmed by **Respondent R3** who believed that their “restructuring choice was an outcome of a complete perception of the opportunities and challenges that existed in the domestic market”, and also this was the opinion of **Respondent T4** who said: “Our restructuring choice was made depending on our vision of the opportunities in the Iraqi market’s future”.

In this context, the top managers’ understanding of the strategic situation of their companies played an important role in completing the picture of the impact of that situation on their companies and helped them to decide on how to respond to it. In other words, the restructuring choice-making process in the Iraqi industrial public sector companies chosen for this study was determined by the experience, evaluation and perception of the top managers and by their understanding of the surrounding situation. The majority of the respondents who belong to different kinds of Iraqi industrial public sector companies stressed that their

experience was the key to their success in understanding the surrounding changing conditions and in coping with these conditions. For example, **Respondent C7** said: “The selection of our restructuring choice was based on the depth of our experience in the Iraqi market, which is our guide to solving the most complex problems. It is important to explain that the organisational response to a strategic situation varies from one company to another as they are different in their understanding of it. Therefore, we made our restructuring choice based on our understanding of the events that occurred in the domestic market after 2003”. **Respondent T6**, for his part, stated the following: “The change in our company’s external circumstances does not mean anything if we do not understand and interpret it, if we do not build a clear perception of the impact of events on our company and if we do not perfectly select the required action”. In a similar vein, **Respondent E2** said: “The internal and external situations of our company contributed to generating the idea of restructuring. We developed this idea to be a choice based on our understanding of these situations”. The response of **Respondent P4** was: “The selection of our restructuring choice was based on our understanding of what was going on, how it could impact our company’s future and on our perception of what was the best restructuring choice that met our expectations”. **Respondent R3** responded saying: “Our restructuring choice was an outcome of a complete perception of the opportunities and challenges that existed in the domestic market”.

Furthermore, the interviews illustrated that these Iraqi decision-makers used their experience to filter the information that they had, and then to form their perception of the strategic situation of their companies and of the strategic alternatives available for their companies to improve their performance. In this regard, **Respondent C8** said: “My experience and knowledge were my filter to understand events and to find solutions”. This was confirmed by **Respondent T8** who emphasised that saying: “My experience and my knowledge are the filter through which every decision has to pass”. **Respondent T8** said: “I used my experience

to process and filter the information related to the opportunities and challenges in our sector, so that I had a clear idea of what we should we do". In addition, **Respondent T5** responded as follows: "The impacts of our company's business environment on our performance have been identified through the filter of our experience and knowledge. Therefore, the selected choice was the outcome of our understanding and evaluation of these impacts". However, all the respondents emphasised that in the restructuring choice-making process, they ignored any information that contradicted their experience. Accordingly, it is clear now that the decision-makers of Iraqi industrial public sector companies sought only the information which fitted their experiences and ignored the information which deviated from their experiences.

So far, it has been discussed in this chapter that the decision-makers of the Iraqi industrial public sector companies under study played a crucial role in the restructuring choice-making process and that the restructuring choices were dependent on their rationality. The interviewed decision-makers developed a realistic perception of the surrounding circumstances, understood the impact of these conditions on their companies, generated a set of restructuring choices and then selected the choice that achieved the goal of their companies. Yet, when asked about how the top management of the Iraqi industrial public sector companies divided the restructuring choice-making responsibilities, **Respondent C9** said: "The responsibility of decision-making in our company should be a shared responsibility, but that never happens in reality. The flow of information is informal. Only a few people are consulted and I do not know how the decisions of our company are made". This leads to the conclusion that there is no such thing as purely rational strategic decisions when humans are an important part of the process. Many scholars (e.g. Schwenk, 1984; Waller, et al., 1995) have pointed out that top managers' characteristics might limit information search and processing, in spite of their desire to make strategic choices according to the strategic situation of their organisation. Research on social motivation (e.g. Staw, 1981;

Keil, et al., 2007) emphasises that top managers are more likely to be receptive and open to the information which only marginally contradicts their sets of beliefs while the information that deviates from their perspective or sets of beliefs is more unlikely to be easily incorporated. Therefore, the rationality of the decision-maker is a relative thing and depends on a number of hidden factors which determine his/her behaviour and the way in which he/she wants to see the situation. Strategic decision-makers who are heavily influenced by their culture, values and beliefs are more likely to ignore any information that is not consistent with their sets of beliefs. So, the impact of these hidden factors on the process of decision-making varies from one individual to another, from one society to another and from one country to another. In this regard, when the hidden factors are relatively weak whether because of the nature of the culture and society or because of the strength of the governance system, one can find decision-makers making real rational decisions based on the facts of their strategic situation. While, when the hidden factors are very strong whether because of the nature of the cultural and social values or because of the weakness of the governance institutions, one can find that decision-makers use their position to advance personal goals and gains at the expense of organisational goals.

During the fieldwork in the Iraqi industrial public sector companies under study, I realised that the picture of the restructuring choice-making in these companies would not be complete if I do not consider the impact of the hidden drivers on this process. It is painful to deal with such issues, yet it is interesting to explore this dark side of the decision-making drivers and it would contribute to deepening the understanding of decision-making in Arab organisations, particularly the Iraqi organisations. Therefore, the next section develops an understanding of two sensitive themes, hidden drivers, which cannot be ignored when tackling the restructuring choice-making process in Iraqi industrial public sector companies. The main

raw materials of the next section are stories which were told by people from these companies who volunteered to participate in the interviews and also the research diary and observations.

7.2 Understanding the Hidden Drivers of the Restructuring Choices in the Iraqi Industrial Public Sector Companies:

During the fieldwork in Iraq, several issues came to the surface. These issues can be discussed in the form of two themes.

- Personal and factional drivers
- Social and cultural influences

7.2.1 Personal and Factional Drivers:

Table (7-3): The Words of the Participants Regarding the Reality of Restructuring Choice-Making in Their Companies

The words of the Participants
<p>Respondent M1 said that the political and economic issues, personal gains and the influences of some people inside and outside the industrial public sector companies were the most important elements that shaped the restructuring choices in these companies. So, the changes in the Iraqi market's requirements and trends and the private gains of those people were the key drivers of this process. Regarding his view on the role of the high-level industrial public sector managers in the restructuring choice-making process, this respondent asserted that unfortunately some of the high-level managers played a negative role in the restructuring choice-making process in their companies because their personal gains and interests influenced the way in which they made sense of events and the way they selected their choices. The high-level managers, the respondent continued to argue, acted in the best</p>

interest of themselves and their political parties. The respondent also declared that there is evidence that many of the industrial public sector companies have ignored vital information that contradicted the personal interests of their top managers

Respondent M2 explained that the restructuring choices of the industrial public sector companies were made to face the challenges that emerged after 2003. However, the top managers of the industrial public sector companies selected the restructuring choices that were in their best interest, rather than the best interest of their companies. It has become generally accepted and agreed in Iraq that there is a financial and an administrative corruption in the Iraqi governmental institutions. This fact influences the quality of the responses of the companies to the challenges facing them. Nevertheless, the restructuring choices of these companies have failed to achieve their goals so far because some people inside and outside these companies have prioritised their private gains over the public interest. Unfortunately, top managers of these companies ignored the information that contradicts their personal interests.

Respondent C9 said: “In my opinion, we could probably make a better restructuring choice than this one if we were free from personal interests that filter the information which we present and determine our choice. The selected restructuring choice of our company was supposed to meet the new requirements of our sector that emerged after 2003, but actually it has was to achieve personal gains and interests for some people in our company”. The respondent gave an example and said that during the period of the American and Britain occupation, huge amounts of money were dedicated to developing the country’s infrastructure, but in reality the money was never used for this purpose. Billions of American dollars went to the powerful political parties and only a very little amount was spent to maintain, rather than develop the infrastructure. He stopped talking for a minute and then he

said: “The top managers of the Iraqi industrial public sector companies are small players in a big game; they are paid to serve the interests of their parties rather their companies”.

Sense-Making and the Discussion of Key Themes and Issues:

This section attempts to shed light on one of the important hidden drivers that played an important role in forming the restructuring choices in the Iraqi industrial public sector companies. In the Iraqi organisations, managerial relationships are based on private power where organisational members’ loyalties to their personal gains are more important than their organisational loyalties. Of course, this prioritisation of loyalties is not a new phenomenon in the Iraqi organisations. On the contrary, it had been rooted in the nature of Iraqi culture and society until 2003. The situation got worse with the beginning of the political changes in Iraq, especially the factional behaviour in the government itself. The use of power to advance personal and factional gains and goals became widely pervasive. Even in public industrial companies, partisan and sectarian quota system is impeding the proper action and development of these companies.

What was bad about the political changes in Iraq was the fact that these changes caused financial corruption in every sector and the money gains through this corruption goes to serve the interests and goals of the political parties, as **Respondent C9** indicated above. Corruption is the abuse of public power for the sake of personal gains or other illegal or immoral benefits. In other words, corruption means harming the organisation for one’s own personal benefit. This phenomenon has become very common in the Iraqi public organisations, including industrial public sector companies since 2003. Indeed, as **Respondent C9** stated, the high-level managers of the Iraqi public companies are small players in a big game. Over

these years, corruption has become rampant throughout the Iraqi governing body. High-ranking government officials such as ministers often unjustly stole large sums of money. On the 18th of December, 2006, BBC News declared that “the Iraqi Public Integrity Commission says arrest warrants have been issued for about 90 former officials, including fifteen ministers, on charges of corruption” (BBC News, 2006). The former Head of the Public Integrity Commission, Radhi Al-Radhi, who left Iraq because of death threats, told the Congress that as of the end of 2007 his office was investigating corruption worth about \$18 billion at Iraqi ministries. In 2009, according to the New York Times, the Head of the Public Integrity Commission, Mr. Okaili, said that “only 396 of 15,000 cases investigated by the commission from 2005 through 2008 were prosecuted. Five involved ministers who either fled the country or were acquitted because of political pressure” (Dagher, S., 2009).

As far as corruption is concerned, it was an issue which was observed during the fieldwork in Iraq as shown in the following extracts taken from my research diary notes with all the observations and without any editing:

This afternoon, I saw the Director of Planning and Production Control, **Respondent C9**, at the Construction-Co and we agreed to meet the next day after 1:00 pm. Then I stayed with **Participant U1** until he finished his work because he invited me with his friend, **Participant U2**, to his home. They told me a story about how the restructuring choice in their company – offering some of the company’s production lines for investment – was made. They said that the investing company which was chosen paid a very high bribe to some of the top-level managers of this company. They showed me some evidence, documents which these respondents had from their department. The documents show that the offer of the chosen investment company to invest these production lines was not the best offer and it did not meet the standards that were set out by the company (Field Notes, the 14th of Feb, 2012).

In a similar story, after my interview with the Director of the Engineering Utilities Department at the Engineering-Co, someone came to talk to me – this person is **Participant U3** –when I was waiting for a bus outside the company to go to the hotel. The conversation between us was as follows without any editing:

- He said: “Hi, I think I saw you at the company’s restaurant. I think you are the researcher”.

- Yes, I am. How are you?

- I am fine, and you? My name is ----

- My name is Mohammad.

- Where do you live?

-Actually, I am from Baghdad, but temporarily I am staying at AL-H hotel.

- Yes, I know it. How is your research going at our company?

- It is OK. Everything is going well. I just finished my interview with the Director of the Engineering Utilities Department.

- Yes, I know him. Did you finish your work at our company?

- Not yet, I still need more interviews to complete my work here.

- What is your research about?

- It is about strategic decision-making. I want to understand how the strategic decisions are made by your company and what the key influences on this process are.

- I would be happy to help you in anyway. I will give you my mobile number because I would like to visit you at the hotel this night if you don't mind.

- You are welcome, it is my pleasure to see you again. This is my mobile number.

About fifteen minutes later, and on his way home, he called me to tell me that he will come to see me at 9:00 pm and asked me if it is fine with me or not. I said: “Yes, you are welcome anytime”.

He came on time. He is a head of a group in the Development Division in the Department of the Quality Control. He is about fifty years old. The following is our conversation:

I said: It is a pleasure to see you again.

- Thanks, it's nice to meet you again. How do you like our city?

- I like it. It is an amazing place. Actually, my father lived here, so I am not a stranger in this city. It is a great city.

- How long are you going to stay here?

- I do not know exactly. When I finish my work at your company, I am going to conduct some interviews in the Petro-Co.

- OK, are you going to publish your interviews?

- No, the purpose of the interviews is to improve my understanding of how strategic decisions are made and what the influences on these decisions are. For example, your company replaced the old production unities and equipment with new ones to cope with the changes that occurred in our country after 2003. So, I want to understand how this decision was made, why the company chose this decision, what considerations determined it and what drivers generated it. There are different opinions on this topic. Some people said that the external

conditions surrounding the company such as the changes that occurred in our country after 2003 determined the selected choice. Some others believe that the top managers, with their level of education, experience, believes or even their personal gains, determined the selected choice. Others, however, have tried to bridge between these two points of view. So, I need to understand the situation of our companies in light of these points of view and to conclude what their model of decision-making is.

- OK, I see. So, what kind of information you are looking for

- All kinds of information are valuable to improve my understanding of this issue.

- OK, I want to tell you something regarding the replacement of the old machines with new ones. The fact is that the new machines were manufactured in the 1980s. These machines were refurbished and bought as new ones.

- You confused me by this story. I do not understand how they can do all that. What you have just said is painful. Where is the government?

- The government could not do anything. These people are supported by parties which are stronger than the government. (Field Notes, the 28th of March, 2012).

Moreover, in the Rubber-Co, I met the Director of the Investment Department. His staff were very friendly. One of them (**Participant U5**) offered to give me a lift to Baghdad, as he was already going to Baghdad after launch time. He is about thirty-five years old. He told me a story on our way back to Baghdad saying that he was one of the group of people who went to China a few years ago to contract with a company to provide and setup a new production line. He said that he was not happy with this contract, as the quality and specifications of the production line are not suitable when weather conditions in Iraq are taken into account. As a result, the new production line has stopped several times since it was started in 2010 (Field

Notes, the 18th of April, 2012).

Financial and administrative corruption can grow in a variety of conditions but it thrives on bad governance where the governmental control is weak or non-existent and decision-making is opaque and where there is a lack of accountability mechanisms. The following extracts are taken from my research diary notes without any editing:

Today's meeting was supposed to have taken place two days ago. But it was rescheduled due to the security situation at that time, when eighteen car bombs exploded in Baghdad. Two of them exploded where the Textile-Co is located. However, I met the Director of the Marketing Department from the Textile-Co at 11:00 am. Before we started the interview, we had talked about the explosions that had occurred two days before and about the situation in Iraq. The, I found the opportunity to talk about something that was on my mind. I said: "I think that all what is happening in Iraq is because of the dispute between the political parties". He responded saying: "But all the Iraqi parties are national parties and therefore cannot be the cause of what is happening". Thereupon, I commented saying: "Yes, I know that. I am not questioning the loyalty of those parties. But the dispute between them weakened the state and paved the way for administrative and financial corruption in government institutions" to which he replied as follows: "Yes, to some extent, this is true, but now the state is strong and it has started to fight corruption. Our party will not allow anyone to steal the wealth of the country"(Field Notes, the 8th of March, 2012).

In the Engineering-Co, I met the Director of the Quality Control Department. In that capacity, he is responsible for the company's quality assurance systems. He has had an experience of more than eight years in this field. He smoked too much. As the interview progressed, the office room was filled with smoke. When he felt I was uncomfortable, he opened the window

and said: “If you are an Iraqi, you have to smoke; our life is full of problems”. I said: “I think we are part of the problem or even we are the cause of the problem”. He exclaimed saying: “Can you explain more?” I said: “Let us take one example. How much money has been spent to improve the bad situation of electricity in Iraq since 2003? According to the official sources, the Iraqi government has spent about \$ 80 billion to improve the electricity in the country. Yet, the government can’t give the people more than four hours of power each day in the best situation”. He commented saying: “You are right, let us finish the interview”. He uttered that with his eyes clearly showing his discomfort with the subject (Field Notes, the 26th of March, 2012)

Corruption weakens the social fabric, the economy and the state as a whole. Where corruption is rampant and decision-makers abuse their positions for personal interests, corruption becomes a key obstacle to development. **Respondent M2** said: “Everyone agrees that there is financial and administrative corruption in Iraqi governmental institutions. This fact influences the quality of our companies’ response to the challenges facing them. However, the restructuring choices of our companies have failed to achieve their goals so far because some people inside and outside these companies prioritise their private gains over the public interest. Unfortunately, they ignore any information that contradicts their personal interests”. Furthermore, unfortunately corruption has become a norm rather than exception in Iraq and has become a big threat to the lives of people who are not involved in it. On the 10th of May 2011, a general manager of one of the Iraqi industrial public sector companies was killed because he had tried to do the right thing and reveal corruption cases. This is an example of many other cases that happen every single day in Iraq.

It is not far from truth that some of the Iraqi top managers of the industrial public sector companies exercised their power outside the areas of their authority that is given to them for

the pursuit of their personal interests and goals. By controlling positions in the organisational hierarchy of the companies, information channels and flow and organisational resources, the powerful managers of the Iraqi industrial public sector companies decided what is important and what is not, what goals to pursue and how to achieve them in a way that is consistent with their personal and factional goals and benefits. Hence, they shaped their companies' restructuring choices in their preferred way. In this respect, **Respondent M1** said: "the political and economic issues and the personal gains and influences of some people inside and outside the industrial public sector companies were the most important factors that shaped the restructuring choices in these companies. So, the changes in the Iraqi market's requirements and trends and the private gains of those people were the key drivers of this process". Regarding his view on the role of the high-level managers of the Iraqi industrial public sector companies in the restructuring choice-making process, **Respondent M1** stresses that "unfortunately, some of top managers of these companies played a negative role in the process of restructuring choice-making in their companies as their personal gains and interests influenced the way they made sense of events and the way they selected their choices. They acted in the best interest of themselves and their political parties. In the restructuring choice-making process, they ignored the vital information which contradicted their personal interests".

It is thus a form of domination in which the organisational goals are linked not to the interest of the company but rather to the interest of a group of people inside and/or outside it. In this respect, the high-level managers of the Iraqi industrial public sector companies have the capacity to promote their own personal interests and influence the process of decision-making in a way that serves these interests. Moreover, **Respondent M2** explained that "the restructuring choices of the industrial public sector companies were to face the challenges that emerged after 2003, but the top managers of the industrial public sector companies

selected the restructuring choices that were in their best interest, rather than the best interest of their companies”. This was also confirmed by **Respondent C9** who criticised the restructuring choice of his company saying: “In my opinion, we could probably make a better restructuring choice than this one if we were free from the personal interests which filter the information we provide and determine the choice. The selected restructuring choice was supposed to meet the new requirements of our sector that emerged after 2003, but it was actually made to serve personal gains and interests for some people in our company”.

In Iraqi public organisations, power comes from the political parties and tribes not from holding a formal position in the organisational hierarchy. The reason for this is that holding the position is often not on the basis of efficiency but on the basis of partisan and sectarian quotas as illustrated in the following extracts taken from my research diary notes with all the observations and without any editing:

The second respondent from the Engineering-Co was a member in a Board of Directors. His Office Manager was praying when I entered the office. The interview started about an hour later than its actual agreed time. It started at 2:00 pm as the respondent was busy with other people in his office. He has held his position as a member in the Board of Directors since 2004. He is about fifty years old. He looked tired and asked his Office Manager to bring a Panadol tablet – headache relief – with a cup of water. I said: “If you are feeling tired, we can postpone the interview to another day”. He said: “No, thanks. We are used to being tired of this work. The hardest thing is working with uneducated or unqualified people. I think, it is one of the major reasons why people in Iraq have heart attacks”. He said that with smile on his face. I think, he meant the group of people who were in his office when I was waiting for him (Field Notes, the 29th of March, 2012).

Today, I had an appointment with the Director of the Engineering Utilities Department from

the Engineering-Co. He is an engineer and he has held this position since 2006. He was an engineer in the Department of the Quality Control before 2006. As I knew later, he is an influential person in the process of decision-making in the company. His influence is not because of his position as the Director of the Engineering Utilities Department, but because he is supported by a religious-political party (Field Notes, the 28th of March, 2012).

Furthermore, the support of influential political parties and tribes increases the ability of those managers who are loyal to them to be able to control the behaviour of other managers in the Iraqi companies; they even do this against their will sometimes. The following extracts are taken from my research diary notes with all the observations in relation to this point:

When I was speaking with the Office Manager of one of my respondents to arrange an appointment to interview him, I heard shouting coming from inside the participant's office. Later, I knew from **Participant U1** and **Participant U2** that the meeting was between this participant, one of the members of the Board of Directors, the Director of the Legal Department and the Director of Planning and Production Control, **Respondent C9**, who is always at odds with the decision-makers in the company. Nobody recommended him as a participant in this study. In my interview with him, he said: "The responsibility of decision-making in our company should be a shared responsibility, but that never happens in reality. The flow of information is informal. Only a few people are consulted and I do not know how the decisions are made in our company".

In this sense, it seems that the personal and factional interests and gains of some decision-makers inside and outside the Iraqi industrial public sector companies had a major role in the restructuring choice-making process, starting from information gathering and ending with the

selection of the restructuring choice. It is apparent that this factor is a more important determinant of this process in the Iraqi industrial public sector companies than the reasons behind the idea of restructuring in these companies. It draws attention to the fact that the influence of this factor is to a large extent decided by the cultural and social influences affecting the top managers of the Iraqi industrial public sector companies. The next section will deepen the understanding of the environment of decision-making in the Iraqi industrial public sector companies and of how the personal and factional goals are deeply rooted in the cultural and social values of the Iraqi people.

7.2.2 Social and Cultural Influences:

Table (7-4): The Words of the Participants that Show the Influence of Social Values on the Restructuring Choice-Making Process in the Investigated Companies

The words of the Participants
<p>Responses to a set of questions about the role of the top managers of the Iraqi industrial public sector companies in the restructuring choice-making process:</p> <p>Respondent R4 said: “The restructuring choice of our company was a result of my success and the success of my management team in analysing the trend of events in the Iraqi market and in selecting the best possible choice that met our company’s goals”. Respondent T4 stated the following: “The general manager made the restructuring choice of our company based on his vision of the future of our company and based on the advice and experiences of the top managers in the company that enabled him to build a clear picture of what was going on and generated the alternatives for him”. This was confirmed by Respondent T5 who said: “The General Manager is the leader of our company and he has the sage insight into the people around him, so he divided the responsibilities in the restructuring choice-making</p>

process in our company based on his view of the importance of this choice to the company and his evaluation of the abilities and experiences of the top managers, who participated in this process”.

Respondent R6 said: “Our restructuring choice was not a result of the change in our business environment, it was a result of our General Manager’s understanding of this change and his vision of what was going on in the Iraqi market and what the future of this market would be”.

This was the opinion of **RespondentC2** who said: “The wisdom of the company’s leadership and their perception of what achieves the public interest and of the company’s external requirements played a very important role in shaping the success of our company in making the right choice”.

However, **Respondent C9** was only the respondent who held a different opinion when he said: “We could probably make a better restructuring choice rather than this one if we were free from the personal interests which filter what the information we provide and determine the choice. The selected restructuring choice of our company was supposed to meet the new requirements of our sector that emerged after 2003, but it was made to achieve personal gains and interests for some people in our company. Moreover, the responsibility of decision-making in our company should be a shared responsibility, but that never happens in reality. The flow of information is informal. Only a few people are consulted and I do not know how the decisions are made”.

Sense-Making and the Discussion of Key Themes and Issues:

Undoubtedly, the abuse of power and giving priority to private interests over the interests of the organisation require a cultural and social environment that allows it to exist and to be

exercised. The Organisation is an integral part of the society in which it exists. The society provides significant positive and/or negative effects on the organisation. In other words, the organisation is a sub-system of the larger society. Thus, what happens in the society is reflected in the organisation. In this sense, the cultural and social values of a society play a great role in shaping the organisational behaviour and relationships. From this perspective, understanding the characteristics of the Iraqi society can lead to a deeper understanding of how the top managers of the Iraqi industrial public sector companies think and behave, how they manage their companies and how they make their choices.

In the Iraqi society, the loyalty of people to their family, tribe, sect, or their political parties is far stronger than their ties to their organisations. These groups exercise their influence to help their members to hold influential positions of power in the governmental organisations. When the members of these groups occupy the powerful positions, they have, in turn, to be loyal to their family, tribe, sect, and/or political party and to serve their interests. The following example that is taken from the research diary shows this kind of loyalty:

Today, I interviewed the Director of the Marketing Department of the Rubber-Co. When one enters his office, the first thing one notices is a large wonderful family tree hanging on the wall. He said: “It looks nice, doesn’t it? This is my family tree” (Field Notes, the 26th of April, 2012)

The Iraqi society is based on hierarchical relationships and a set of rules and values that give them a framework and a direction for action. Iraqi people reflect their cultural and social values and practices in their organisational relationships and behaviour. All the organisation’s members must obey the head of the organisation and must respect his wishes and decisions, even if they believe such decisions are unreasonable and not in the organisation’s best interest. **RespondentC2** emphasised this issue when he said: “The wisdom of the company’s

leadership and their perception of what achieves the public interest and of the company's external requirements played a very important role in shaping the success of our company in making the right decision". To support this argument and to present a clear demonstration of how Iraqi people think and behave in terms of their loyalties and the way they manage their organisations, one can resort to the following extracts which are taken from the research diary notes with all the observations and without any editing: :

Today was my first interview in the Textile-Co with the Director of the Production Department. He was a little uneasy at first though I do not know why. I knew from his body language that he wasn't comfortable, but as the interview progressed he became gradually relaxed. During the interview, he asked me some questions like where I am from originally, how I got my scholarship and so on. I felt from his questions that he wanted to know if I am a Sunni or Shiite. I think having this information made him more comfortable as we are from the same sect (Field Notes, the 19th of Feb, 2012).

This afternoon, I interviewed a Department Director at the Ministry of Industry and Minerals at 1:45 pm. He asked me if I had been told that the recording equipment is not allowed. I said: "Yes, I have been told that it is no allowed to record the interview". Then, he asked me about the name of my tribe and where I am from because it does not show if I am a Sunni or Shiite. When he knew where I am from, I felt he became more comfortable and open. I could feel that because the tone of his questions changed. He asked me some questions about life in the UK and how it differs from our life in Iraq. Then, he surprised me with a question about my feelings towards Britain in terms of what happened in Iraq after 2003. In fact, it was an embarrassing question. I was not worried about the answer as much as I was concerned with the reason for this question. The interview took about one hour and fifteen minutes (Field Notes, the 20th of March, 2012).

The two above-mentioned examples are taken from the formal interviews conducted for this research. However, I have been asked the same questions in every organisation I have ever visited. The task is far easier if the researcher is from the same sect of the interviewees. In the Iraqi society, familial, tribal, sectarian and partisan relationships constitute a significant tool which can be used to access public services for many purposes including gathering information and conducting research, as this study was able to do.

The loyalty to strong/close groups such as family, tribe, sect, and political party puts the Iraqi decision-makers under the pressure of these groups that greatly influence their managerial behaviour and action. It is necessary here to return to my observation that I mentioned in the last section about the respondent who asked his Office Manager to give him Panadol tablets. This story clearly reveals the kind of pressures that Iraqi decision-makers face in their daily work. They have to respond to the interests of those people who promoted them to their powerful positions, a response that is often in conflict with their organisation's interests. Moreover, the following extracts are taken from my research diary notes with all the observations and without any editing to give a clear idea of these pressures:

Today, I met the General Manager of the Textile-Co at 12:30 pm. The interview was interrupted by visitors to the General Manager. The visitors were wearing the traditional Iraqi tribal dress and came to intercede for someone who wanted to return to his job in the company. I understood from their conversation that they were the relatives of the General Manager (Field Notes, the 11th of March, 2012).

My respondent, a member of the Board of Directors of the Construction-Co, was in a busy environment where there were many people in the waiting room. I noticed that most of them were turbaned clerics. I was wondering what they were doing here. It was clear from the face

of the Office Manager that they were important people. A few minutes later, my respondent came out of his office with a turbaned cleric. Suddenly, everyone in the waiting room stood up, including me. Then, I understood that the turbaned clerics, who were in the waiting room, were associates of the cleric who was in a meeting with my respondent. I met him about two hours after the planned interview time. The interview took about one hour. My interviewee was open and eager to answer all the questions, but he was boastful and enjoyed talking about himself (Field Notes, the 5th of Feb, 2012).

Today, my interview was with a Department Director at the Ministry of Industry and Minerals. The waiting room was full of people and the only seat left was beside a man wearing Arabic traditional clothes. After a few minutes, the man asked me: “Why are you here? And what is your business?” I answered him, but I said that I was a PhD student from Baghdad University. Then, I asked him: “What about you? Why are you here?” He said: “I am a cousin of the General Manger and I have a private issue with him”. After a few minutes, the Office Manager approached him and said: “Haji, the General Manager is waiting for you” (Field Notes, the 22nd of March, 2012).

Thus, the priority in the Iraqi organisations is given to personal relationships and considerations over organisational ties, goals and performance. It was clear from my observations that in the Iraqi organisations, managerial relationships between organisation actors rely on the social position of those actors and the personal relationships and ties between them. This is evident in the following observations that are taken from the research diary without any editing:

Today, I had an appointment with the Director of the Planning Department at the Textile-Co. He was a nice person when I had met him three days before in the office of the General Manger. According to my observations and my personal impressions, my interviewee is the closest person to the General Manger of the company. The General Manger called him “.....”. Iraqi people use this word to show their respect for those people and to show their friendly relationship with them. It is also worth mentioning that this term is informal and was very rarely used in formal places. However, it became more common in the Iraqi institutions after 2003” (Field Notes, the 22nd of Feb, 2012).

I finished the interview with General Manger of the Textile-Coat 2:00 pm and went to wait for the Director of the Administrative Department. I met him at 3:00 pm. During the waiting period, I noticed that the employees were not busy with work. Some of them were busy chatting to each other, some others were playing mobile games or chatting with friends and others were eating (Field Notes, the 11th of March, 2012).

I interviewed a member of the Board of Directors of the Textile-Co. Our interview was interrupted many times by his Office Manager either to inform him that some people wanted to meet him or to take the interviewee’s mobile phone to make calls. Later, I knew that the Office Manager is the brother of my interviewee and this explained the informal relationship between them (Field Notes, the 21st of Feb, 2012).

Moreover, I had interviewed a member of the Board of Directors of the Engineering-Co. During the interview, while he was answering a question, he seemed to have remembered something and called his Office Manager to tell him something. He said: “..... may come to visit the General Manger. Let me know when he comes”. (Field Notes, the 27th of March, 2012).

On the 1st of April, 2012, I went with the Office Manager, **Participant U4**, of the General Manger of the Engineering-Co to the Petro-Co to facilitate my task there as the Director of the Department of Finance and one of the members of the Board of Directors of this company are the relatives of the Office Manager, **Participant U4**, and the General Manger of the Engineering-Co. So, my task was easy and I arranged to conduct my first interview in this company on the 3rd of April, 2012 (Field Notes, the 1st of April, 2012).

Today, I had the last interview in the Engineering-Co. My respondent was the General Manger of the company. It was easy to notice that his Office Manager [his cousin] has an influence on him. His Office Manager introduced me very well to him and said to him jokingly “I will cancel all your appointments until you complete Mohammad’s work” (Field Notes, the 1st of April, 2012).

This afternoon, I had an appointment with a member of the Board of Directors of the Petro-Co, who is the relative of the Office Manager, **Participant U4**, and the General Manger of the Engineering-Co. As I understood from **Participant U4**, this member is an influential person in the company. He has wide personal relationships with many people in the government. During the interview, **Participant U4** phoned him just to make sure that everything is going well with me (Field Notes, the 3rd of April, 2012).

Today, I had two interviews in the Petro-Co. The first one was with the Director of the Department of Finance, who is the relative of the Office Manager, **Participant U4**, and the General Manger of the Engineering-Co and the second one was with the General Manger of the company. I arrived twenty-five minutes earlier than my appointment time. I introduced myself to the Office Manager and he said that the Director was waiting for me. The Director greeted me with a big smile and said: “You are welcome. It seems that [...] is a close friend to you. He called me to facilitate your task in our company”. After the interview, he

accompanied me to the office of the General Manger to facilitate my interview with him. We entered to the office of General Manger without taking permission from his Office Manager, who was only asked: “Is the General Manger in his office?” He attended most of my interview with the General Manger. He left us only at the end of the interview because he received a call on his mobile phone. I think he attended the interview to facilitate my task and to show the General Manger that I am a close friend to him. In my opinion, this reflects his close personal relationship with the General Manger and his influence on him (Field Notes, the 4th of April, 2012).

The Office Manager, **Participant U4**, of the General Manger of the Engineering-Co calls me by phone every day to ask about my interviews and to ask how things are going. This night, he phoned me to invite me to a wedding of one of his relatives on Friday, the 6th of April, 2012 (Field Notes, the 5th of April, 2012).

This evening was very enjoyable. I attended the wedding party of one of the relatives of the General Manger of the Engineering-Co. I saw all the staff of the two companies (the Engineering-Co and the Petro-Co) in this wedding. In addition, there were important people from the local government. The scene of the people in the wedding party was a strong indicator of how strong the personal relationships are between them. The wedding continued until 3:00 am. Everyone was so exhausted, including me (Field Notes, the 6th of April, 2012)

Today, I had two interviews in the Petro-Co. The first one was with the Director of the Investment Department. I had met him three days before in his office to book an appointment with him. I had also seen him in the wedding night, so he was happy to receive me in his office. He tried to do his best to answer the interview questions. The second respondent today was a member of the Board of Directors. He was in Baghdad when I called him using the mobile phone of my friend, the Office Manager, **Participant U4**. During the interview, I

could know from his voice that he was thinking about something other than the answer to my questions. He said: “How is your situation in the Ministry of Higher Education?” I said: “Good, not bad”. Then, he said: “I know many people there, so if you want anything just tell [...] and I will be happy to help” (Field Notes, the 8th of April, 2012).

Moreover, in the Iraqi society, people who occupy high positions in a social or formal hierarchy are self-centred and they give great importance to their own personal prestige and self-importance. They use the plural pronouns “we,” “us,” and “our” in order to show the social distances between them and their listeners. It is part of the human nature that people tend to be self-centred and to have the sense of self-importance, but it varies from one society to another depending on the culture, values, beliefs and the dominant patterns of behaviour in the society. Iraqi people are born in a society that nourishes self-centredness and are raised by families where the entire family should be subject to the father’s will. This tendency was very clear in the interviews conducted for this research in the Iraqi industrial public sector companies and the Ministry of Industry and Minerals in which most respondents were boastful and enjoyed talking about themselves. This is demonstrated in following extracts which are taken from my research diary notes with all the observations and without any editing:

I interviewed a member of the Board of Directors of the Textile-Co. The people in the company call him Haji [...] which means a devout Muslim who went to Makah for pilgrimage. Yet, after 2003, the Iraqi people in the governmental institutions used this title for people having a high rank or position. (Field notes, the 21st of Feb, 2012).

It was 10:30 am when I met the Director of the R & D Department from the Petro-Co. He is around forty-five years old. He has more than a six-year experience in this position. Before

he held this position, he had served as a researcher in the Department of R & D. He was interested in answering all the questions and sharing his experience. His body language demonstrated his boastfulness and the joy he took while talking about himself. He told me stories about his achievements when he was a university student and when he was a researcher in his department (Field Notes, the 5th of April, 2012).

This afternoon, I met the Director of the Utility and Services at the Petro-Co. He is about fifty-five years old. He has held this position since 2010. Before 2004, he was an employee in the Division of the Vehicles Services, then the Director of the Division from 2004 to 2010. He was enjoying talking about himself in plural expressions in a way that reveals his desire to show the source of his power (Field Notes, the 9th of April, 2012).

The Iraqi society is a paternalistic society where the matters of importance are decided by the head of the family, tribe or sect. Therefore, the top managers of the Iraqi industrial public sector companies accept power relations that are paternalistic in which the General Manger listens to the other top managers but still he is the one to take the final decision. The Iraqi management style is a strict patriarchal one, characterised by a high hierarchical authority, high bureaucratisation and a subordination of efficiency and responsibility to personal relationships. **Respondent R6** said: “Our restructuring choice was not a result of the change in our business environment; it was rather a result of our General Manger’s understanding of this change and his vision of what was going on in the Iraqi market and what the future of this market would be”. This was also the opinion of **RespondentC2** who said: “The wisdom of the company’s leadership their perception of what achieves the public interest and of the company’s external requirements played a very important role in shaping the success of our company in making the right choice”. This was confirmed by **Respondent T5** who stated the

following: “The General Manger is the leader of our company and he has the sage insight into the people around him, so he divided the responsibilities in the process of the restructuring choice-making in our company based on his view of the importance of this choice to the company and his evaluation of the abilities and experiences of the top managers who participated in this process”. **Respondent T4** also said: “The General Manger made the restructuring choice of our company based on his vision of the future of our company and based on the advice and experiences of the top managers in the company that enabled him to get a clear picture of what was going on and generated the alternatives for him”. However, **Respondent C9** had a different opinion when he said: “The responsibility of decision-making in our company should be a shared responsibility, but that never happens in reality. The flow of information is informal. Only a few people are consulted and I do not know how the decisions are made in our company”.

It is clear that Iraqi powerful actors assign duties and responsibilities and delegate authority according to their personal relationships as a way to maintain and strengthen their power over others. Moreover, during the fieldwork, it was revealed that many of the top managers of the Iraqi organisations have close personal relationships between them as they are either from the same family and tribe or from the same political party and the wedding party (Field Notes, the 6th of April, 2012) was an example of these close relationships. Iraqi powerful actors race to promote their relatives or their political party members, who are loyal to them, to the positions of power, increasing thereby their level of influence over others.

The political shift of 2003 triggered serious changes in the Iraqi culture and made it more complicated. The appearance of the loyalty to the political and religious parties is new to the Iraqi people and is becoming stronger than their loyalty to their family and tribe. Moreover, Iraqi organisations alliances have been divided between these parties. Consequently, the loyalty of any organisation’s members to their political and religious parties is becoming

much stronger than their loyalty to their organisations. The following research diary notes and observations will give the readers of this research an idea about how the loyalty of some organisational members of the Iraqi industrial public sector companies to their political parties is greater than their loyalty to their organisation:

Tomorrow, I have two interviews in the Construction-Co, so I decided to stay in the city where the company is located in order to prepare myself for these interviews. **Participant U1 and Participant U2** from the Construction-Co visited me at the hotel and we had a cup of tea. They talked about the company as employees and about their suffering in terms of their limited income and the difficulty of living in Iraq. So, I found that it was a good opportunity to ask a serious and intended question, but decided to ask the question in a funny way to absorb any unexpected reactions. The question was: “What is your political party?” They said: “Our financial conditions could have been much better, if we had been allied to a political party (Field Notes, the 7th of Feb, 2012)

Today, I had two appointments in the Engineering-Co. The first one was with a plant director. When I entered his office, I noticed some photos of him with a party leader on the walls. These photos reflect his political affiliation (Field Notes, the 29th March, 2012).

Today, I met a Director of one of the company’s factories from the Petro-Co at 10:30 am. He had a silver watch on his wrist with a picture of a leader of a religious movement that reflects his affiliation (Field Notes, the 10th of April, 2012).

I arrived to the Rubber-Co at about 9 am. I introduced myself to the reception staff. The reception manager asked me to wait for the permission to enter the company. After a few minutes, he came and accompanied me to the office of the General Manager. When I entered the office of the General Manager, I had no doubt of his strong affiliation to one of political

parties. There were several photos taken in places like meeting rooms and halls. Moreover, on the wall behind him, there were some dated photos of him with dignitaries. The photos were arranged in a neat row (Field Notes, the 11th of April, 2012).

The purpose of this chapter was displaying and discussing the findings obtained from the empirical part of this study. The fieldwork results have been presented in a thematic way. To make sense of how restructuring choices were made in the Iraqi industrial public sector companies, two core themes have been identified. The first theme is related to the role of the external conditions and changes in shaping the restructuring choices of the Iraqi industrial public sector companies as well as the importance of the decision-makers of these companies and the roles they play in determining these choices. The second theme is associated with the impact of the personal and factional interests on the restructuring choice-making process and with the role of the Iraqi cultural and social factors in shaping the behaviour of Iraqi decision-makers.

Chapter 8

The Discussion and Interpretation of the Research Findings

The main purpose of this study has been developing an understanding of how restructuring choices were made in the context of the Iraqi industrial public sector companies. To do so, four questions were asked, two of which had emerged before the fieldwork in Iraq based on a review of the literature on choice-making while the others emerged during the fieldwork as key influences on the restructuring choice-making process in the investigated industrial public sector companies.

Before the fieldwork:

- What was the role of the changes in the business environment of the Iraqi industrial public sector companies in making the restructuring choices of these companies?
- What was the role of the top managers of the Iraqi industrial public sector companies in determining the restructuring choices of their companies?

During the fieldwork:

- What was the role of the personal and factional interests of the powerful actors of the Iraqi industrial public sector companies in driving the restructuring choice-making process in these companies?
- What was the impact of the Iraqi social and cultural context upon the patterning of the decision-making behaviour of the top managers of the Iraqi industrial public sector companies in the restructuring choice-making process?

In chapter 3, a detailed review has been presented focusing on the concepts which are related to the role of external forces and the role of the top management team in shaping the organisational choices and actions. Chapters 4 and 5 were necessitated by the reality which the researcher faced during the fieldwork in the chosen Iraqi industrial public sector companies. This reality necessitated a change in the direction of the study and a need for the

researcher to consider not only what the literature reveals (which is primarily western/Non-Arab based), but also the reality of the context on the ground. Thus, whereas Chapter 4 has dealt with the dark side of the process of decision-making, Chapter 5 has highlighted the characteristics of management in Arab organisations, and the role of the cultural and social context in shaping Arab organisational choices and practices. Moreover, Chapter 6 has described the rationale behind the research approach and design as well as the research methodology followed in the empirical part of this study. Then, the previous Chapter has presented the findings of the empirical phase in a thematic order to facilitate their interpretation.

In the research process and methodology chapter, it has been highlighted that the research process of this study consists of three main stages (figure 6-3). The first stage was an overlapping stage between the literature review and the empirical part of this study to ensure complete theoretical background for the phenomenon of interest. The second stage was to address the key themes which emerged from the empirical study in the context of the Iraqi industrial public sector companies. The third stage aims to develop an understanding of how the restructuring choices were made in the context of these companies.

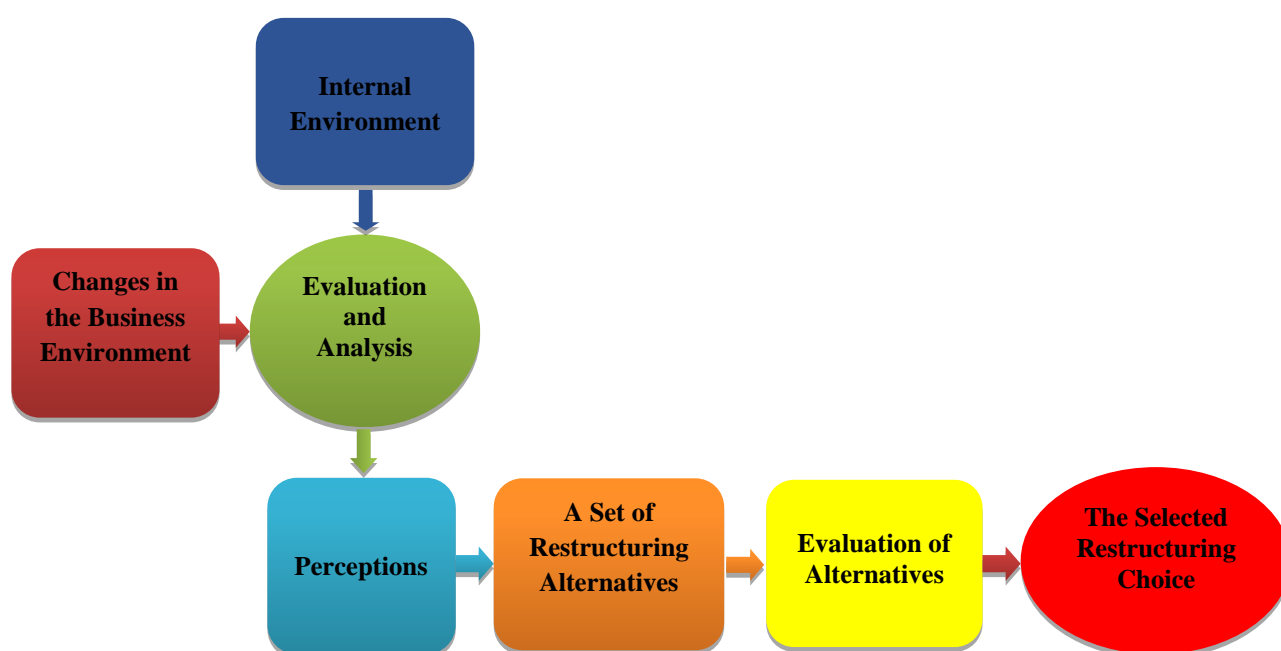
This chapter deals with the third stage of the research process. It interprets the results and insights gained from multiple sources of data, including elite interviews, ethnographic interviews, and field notes and research diary conducted during the fieldwork in the Iraqi industrial public sector companies. The findings of the current study have been discussed and presented in the form of themes and sub-themes that have been identified to fill the gaps between the existing literature on choice-making and the reality on the ground in the context of the Iraqi industrial public sector companies.

As discussed in chapter 7, two main sets of themes (the visible and hidden drivers of the restructuring choices) have been identified before and during the empirical phase of the study

which took place in selected Iraqi industrial public sector companies. In this chapter, these themes will be related to the literature review presented in Chapters 2, 3, 4 and 5 in order to interpret how restructuring choices were made in the context of these companies. The discussion and interpretation of the current findings will be presented in the same order according to which the themes have been presented in Chapter 7. Accordingly, this chapter consists of three sections. The first section presents the visible part of the picture of the restructuring choices that interprets the understanding of the top managers of the investigated companies of how they made the restructuring choices in their companies. The second section interprets the hidden side of the story which might eventually be the side that matters more than what the top managers revealed to the researcher. The third section puts together the visible and hidden parts of the story in an attempt to create a complete picture of how restructuring choices were made in the context of the Iraqi industrial public sector companies.

8.1 The Visible Drivers of the Restructuring Choices of the Iraqi Industrial Public Sector Companies:

Figure (8-1): The Process of Restructuring Choice-Making as Seen by the Participating Top Managers of the Selected Iraqi Industrial Public Sector Companies



(Author's Own)

In this section, I present the process of restructuring choice-making from the perspective of the top managers of the Iraqi industrial public sector companies. This perspective reflects only the visible part of the story of how they made their restructuring choices, ignoring the hidden influences that actually were the strongest driving forces behind their choices. The data demonstrate that the participating top managers of the Iraqi industrial public sector companies seemingly focused on the role of the changes in the business environment of their companies that occurred as a result of the change in the Iraqi previous political regime and its consequences on all aspects of life in Iraq in addition to their role, as managers, in shaping the restructuring choices of their organisations. Besides, their willingness to improve the performance of their organisations has typically increased their motivation to be engaged in restructuring activities.

8.1.1 The External Drivers of the Restructuring Choices:

The results show that the changes in the external conditions of the Iraqi industrial public sector companies necessitated the need of these organisations to restructure their internal capabilities with the aim of boosting their efficiency and performance. Restructuring is a critical mechanism in the successful adaptation of organisations to changes in their business environments (e.g. Chandler 1962; Lawrence & Lorsch 1967, Robinson & Shimizu, 2006). The Iraqi top managers of the organisations under study seemed to have decided to engage in restructuring actions in order to improve the performance of their organisations and to cope with the changes in the external environment of their organisations. Lin et al. (2006) emphasise that restructuring activities often occur as part of the organisational strategic actions intended to improve organisational performance and to respond to changes in the organisational external environment.

Indeed, the literature on corporate restructuring regards the external business environment as one of the most important aspects explaining why organisations engage in restructuring activities. The participants in the current study from the Iraqi industrial public sector companies and the Iraqi Ministry of Industry and Minerals emphasised that the changes in the business environment of their organisations played a significant role in generating the idea of restructuring and in shaping their restructuring choices. The majority of the participants said that they realised it was crucial for their organisations to engage in restructuring activities as they could not cope with the radical changes in their external environment without changing their internal situation. When the external environment changes, the organisation cannot continue to operate in the same manner and performance as in the past with the same internal structure, with the same process, with the same equipment, with the same staff and with the same ability (Druckman et al., 1997). From this perspective, it can be argued that the alignment between the internal and the external environments of the organisation helps enhance its performance and that organisations need to maintain such an alignment.

The “fit” between the internal capabilities of the organisation and its external environment is assumed by contingency theorists to be necessary for organisational survival (Donaldson, 2001). The participants in this study had the same opinion regarding the importance of the alignment between the weaknesses and strengths of their companies and the opportunities and threats which they encounter. They emphasised that the changes in their business environment drew their attention to the fact that their organisations are in a critical situation facing external threats which need to be overcome by the improvement of the internal conditions of their organisations. Moreover, they strongly believed that the changes that took place in the business environment of their organisations after 2003 uncovered the inability of their companies to deal with these changes without developing their internal capabilities and that the alignment of the internal situation of their companies to the changes that occurred in

their business environments was the only way to ensure the sustainability of their organisations. Contingency theorists (e.g. Chandler, 1962, Lawrence & Lorsch, 1967; Donaldson, 2001) suggest that a better fit between an organisation and its external environment enhances organisational performance and the capacity of the organisation to improve itself. Outside the organisation, the external environment, and its change over time, influences organisational strategy and structure and, thus, has a significant impact on the organisation (e.g. Lawrence & Lorsch, 1969; Duncan, 1972).

The results of this study indicate that the key drivers of the business environment of the Iraqi industrial public sector companies are the following: foreign competitors, external stakeholders' goals and interests (the Iraqi consumers and the Iraqi government, represented by the Ministry of Industry and Minerals), opportunities in the Iraqi market and political and security factors. There was a consensus among the majority of the participants in the current study that the restructuring choices of their companies were made in response to the shift in the nature of the Iraqi market that became more competitive as new players entered it. After the war in 2003, things started to change dramatically; the comprehensive economic sanctions that had been imposed on Iraq since 1991 were lifted instantly and the Iraqi market became open to a large number of foreign companies. The industrial organisation theory literature suggests that organisational performance is influenced by changes in marketplace conditions. This theory emphasises that an organisation cannot influence its industry sector but the industry sector can influence the organisation. Industrial organisation theorists (e.g. Bain, 1956; Porter, 1980) stress that changes in the industry structure and market conditions (such as changes in the number and size of competitors, technology, regulation and consumer needs) determine organisational behavior and action, which in turn influence organisational performance.

Moreover, many of the participating top managers in the this study strongly agreed that the change in the Iraqi consumers' needs, behaviour and preferences puts a huge pressure on the Iraqi industrial public sector companies as they are the unique target of them. In addition, there is a pressure from the Iraqi Ministry of Industry and Minerals to improve the performance of these companies as they are the backbone of the national industry. These results are consistent with the view of the resource dependence theory (e.g. Aldrich, 1979; Pfeffer & Salancik, 2003) which links the internal capacity of the organisation to the resources of its external environment such as customers, suppliers, financial markets, labour markets and other external stakeholders. Aldrich (1979), for instance, argues that organisations are dependent on and restricted to their external resources and have to adapt to and cope with them. From the perspective of resource dependence, effective organisational action depends on the ability of the organisation to meet the requirements of its external resources (stakeholders' goals and interests) and the top managers' role is ensuring the alignment of the internal capabilities of their organisation to its external resources (Bourgeois, 1984).

Furthermore, the results illustrate that the nature of the new business environment of the Iraqi industrial public sector companies is to a great extent consistent with the external environment described by Dess and Beard (1984) who studied 52 manufacturing industries and divided the external environment into three dimensions, munificence, complexity and dynamism.

- Environmental munificence refers to the ability of environmental resources to support the sustained growth of an organisation (Dess & Beard, 1984; Sharfman & Dean, 1991; Baum & Wally, 2003). In other words, munificence is the level of the resources available to the organisation from various external sources (e.g. Child, 1972; Dess & Beard, 1984). It enhances organisational flexibility and efficiency (Aldrich, 1979),

limits external influences (Cyert & March, 1992), provides support to the organisation to respond to external threats (Hambrick & Finkelstein, 1987) and increases its strategic alternatives.

However, the results of the current study indicate that the external resources of the Iraqi public sector companies became scarce, particularly in terms of their unique consumers (Iraqi people). As discussed in Chapter 7, Iraqi people now have a general tendency to prefer imported to locally made products. The scarcity of external resources creates difficult and stressful conditions for decision-makers to effectively lead their organisation and affects the growth and survival of the organisation (Castrogiovanni, 1991; Wiersema & Bantel, 1993).

- Environmental dynamism is defined as the degree of change in the external environment of the organisation or market stability (Aldrich, 1979; Dess & Beard, 1984; March & Simon, 1993). Dynamism, according to Dess and Beard (1984), is often the product of changes in key environmental conditions and elements. When comparing what happened in the business environment of the Iraqi industrial public sector companies to the findings of Dess and Beard (1984), one will find that this environment is to a great extent similar to what they called the “dynamic environment”. The external environment in which the Iraqi industrial public sector companies operate has been changing radically and rapidly since 2003, when the Iraqi former regime changed. These changes necessitated the restructuring of the Iraqi industrial public sector companies in order to meet the challenges that lie ahead.

Organisations operating in dynamic external environments face a high degree of uncertainty and require adaptability to survive (Dess & Beard, 1984; March & Simon, 1993). These organisations have to achieve a “fit” or alignment between their internal

and external conditions to ensure their survival, growth and success (Bourgeois, 1984; March & Simon, 1993; Donaldson, 2001; Delmas & Toffel, 2008).

- Finally, the external environment of the Iraqi industrial public sector companies is complex. A complex environment implies the multitude of the external factors that together influence the performance of the organisation (Thompson, 1967; Wang & Chan, 1995). Organisations in complex environments are typically confronted with conflicting pressures from multiple external factors (Thompson, 1967). The Iraqi industrial public sector companies are operating in a business environment in which various forces interact to put much pressure on them. These forces include the competition with new and aggressive entrants, the expectation of the Iraqi consumers and the Iraqi Ministry of Industry and Minerals (the owner of these companies) in addition to political and security pressures. This kind of environments is an assessment of skills, knowledge and information-processing capabilities that decision-makers need (Dess & Beard, 1984) to make successful organisational changes.

The results of the current study reveal that the changes in the business environment of the Iraqi Industrial public sector companies encouraged them to adopt restructuring as a critical mechanism to meet these changes. In the next section, the role of the top managers of these companies in the restructuring choice-making process will be interpreted.

8.1.2 The Role of the Top Managers of the Iraqi Industrial Public Sector Companies in the Restructuring Choice–Making Process:

This section discusses the role of the top managers of the Iraqi industrial public sector companies from their point of view. Even though the participating top managers in the current study strongly emphasised that the external environment of their companies played a crucial role in shaping the strategic direction of their companies, they stressed that the

changes in the business environment of their companies were only a starting point in the restructuring choice-making process. They could play a significant role in selecting the best possible restructuring choice to meet the goals of their companies, as emphasised by the strategic choice theory (e.g. Child, 1972; Child et al. 2003; Elbanna & Child 2007). This theory assumes that top managers are “rational” and that they make the strategic choice that is likely to maximise organisational benefits and directly support the achievement of the organisational goals.

As shown in the results of this research, the top managers of the Iraqi industrial public sector companies believed in the importance of their role in making the right restructuring choices that served the best interest of their companies. They built their understanding and perceptions of the strategic situation of their companies and of how to respond to it based on the analysis of the internal and external environments of their companies. The strategic choice theory (Child, 1972) supports this finding suggesting that top managers follow a rational process in order to make their strategic choices. They evaluate their internal and external environments in which they operate taking into account the competitive position of their organisation, the needs and expectations of their internal and external stakeholders, changes in the business environment of their organisation and their prior beliefs and experiences that fuel their ideas and shape their view of the strategic situation of their organisations and of how to respond to it (Child, 1972; Child et al. 2003; Elbanna & Child 2007).

However, Ali (2009) stresses that the existing theories, concepts and practices of management are to some extent new to Arab management and organisations. Arab organisations are characterised by high levels of bureaucracy and formality, top-down structures and a directive style of decision-making rather than a delegation of power (Ali, 1989; Bjerke & Almeer 1993; Ali, 2009). These findings correspond with the findings of the

current study. This study found that the general managers of the Iraqi industrial public sector companies assigned the roles which each top manager has to play in the restructuring choice-making process based on the formers' judgment of their top managers' ability. In Arab organisations, the head of the organisation assigns duties, responsibilities and delegate authority according to his personal relationships and judgment as, a way to maintain and strengthen his power over the organisation (Khadra, 1990; Ali, 1996). Hofstede (2010) describes Arab management as having a strong tendency to the paternalistic style of management where everything revolves around the one person at the top of the organisation. In Arab organisations, the head of the organisation demands an absolute submission from his subordinates who do not take any action without his permission first (Dorfman & House, 2004; Ali, 2009).

In the restructuring choice-making process, however, the top managers of the Iraqi industrial public sector companies were divided by the heads of their companies (the general managers) into pilot teams, so that they individually worked through a four-stage process:

Analysis of the Internal and External Environments: During this stage, the participating top managers in the current study claimed that they attempted to analyse and understand the factors of their company's external environment relevant to their organisational departments. They analysed and evaluated the opportunities and threats faced by the company from depending mainly on the conditions of their departments. After they evaluated and understood what was going on in the Iraqi market in general, and in the business environment of their companies in particular, they moved to analyse the resources of their departments and capabilities. The participating top managers in this study examined the internal strengths and weaknesses of their departments in light of the external opportunities and threats. This stage in the restructuring choice-making process in the Iraqi industrial public sector companies is

referred to as a SWOT analysis, which is defined as a strategic analysis of an organisation's strengths and weaknesses alongside the opportunities and threats present in the external environment. Rational theorists (e.g. Porter, 1980; Ansoff, 1985; Pearce & Robinson, 2007) assume that top managers must analyse both the external environment (opportunities and threats) and the internal environment (strengths and weaknesses) before formulating their strategic choices.

Building the Perception: The analysis of the internal and external environments determines what may assist the company in accomplishing its objectives and what obstacles must be overcome to achieve these objectives. The participating top managers in this study seemingly built visions, perceptions and ideas of how to respond to the changes in the business environment of their companies based on their analysis, evaluation and understanding of their internal and external environments. Mezas & Starbuck (2003, p. 4) define perception and managerial perception as an "apprehension by means of the senses or the mind". Accordingly, managerial perceptions include everything that goes into managers' understanding of their work situations. In support of these findings, the upper echelons theory (Hambrick & Mason, 1984) implies that the top managers of an organisation create a "construed reality" of their organisation's strategic situation based on their values, cognitive abilities and perceptions (Herrmann & Datta, 2006). Hambrick and Mason's (1984) stress that top managers cannot scan every aspect of the organisation's business environment, but rather make sense of the strategic situation based on their managerial background and their perceptions of the strategic situation of their organisation. Therefore, decision-makers make their strategic choices on the basis of their managerial perceptions and thus the organisation becomes a reflection of its decision-makers (Hambrick & Mason, 1984).

Generating Restructuring Alternatives: During this stage, restructuring alternatives were generated depending on individual evaluations and perceptions of the strategic situation of the company. Then, every head of department (involved in the restructuring choice-making process in his company) individually provides the general manager of the company with his view of the strategic situation of the company, his suggestions of how the company can perform more efficiently and his view of the best possible restructuring choice for the company. This result corresponds with the findings of the available Arab management studies (e.g. Muna, 1980; Ali, 1989; Abdalla & Al-Homoud, 2001) of the decision-making style in Arab organisations. These studies found that the most common approach to decision-making in Arab organisations was a consultative approach. Participation in the process of decision-making is limited to top-management levels, and mainly takes the form of consultations between the company's president and other high-level managers, but the final decision is usually made by the company's president based on his/her beliefs and assessment of the situation (Ali, 1989). The results of the current study show that the restructuring choices in the Iraqi Industrial public sector companies were never made jointly and were not delegated to the top managers, who participated in this study. The role of those managers was limited to their being the consultative body of the general manager. They did not play a substantial part in decision-making. In line with this finding, Muna (1980) and Al-Faleh (1987) argue that there is no genuine delegation of authority and responsibility in Arab organisations and that the lower levels of Arab management encourage the concentration of power at the top of the hierarchy.

Moreover, one of the findings of the current study reveals that even though some of the top managers were part of the restructuring choice-making process in their companies, they did not know how the decisions were made. Al-Faleh's (1987) study of the cultural influences on Arab managerial development supports this finding and states that decisions emerge rather

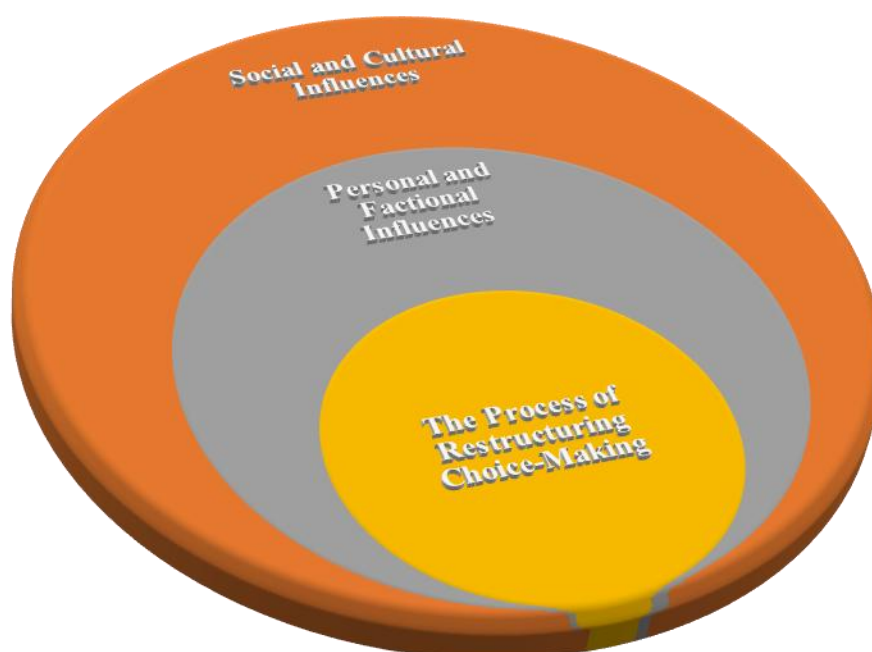
than result from a formal process of decision-making in Arab organisations and that the consultation is usually done informally and on a one-to-one basis, rather than collectively. Furthermore, the consultation in Arab organisations is not a genuine request for advice, but rather it is merely a superficial consultation. Abdalla and Al-Homoud (2001) state that the main purpose of consultation in the process of decision-making in Arab organisations is mostly satisfying the egos of the top managers involved in the process, rather than improving the quality of the decision.

The Selection of the Restructuring Choice: The participating top managers in this study emphasised that this stage is the responsibility of the general manager of the company. The general manager evaluates all the restructuring alternatives that were generated in the previous stage. Then, he selects the most appropriate restructuring choice based on his personal beliefs and perception of the best interest of the company.

To sum up, figure (8-1) above interprets the restructuring choice-making process in the Iraqi industrial public sector companies through the top managers' lenses which do not reflect the whole reality. According to them, after 2003 the business environment of their companies changed radically and rapidly. This change promoted their attention to the need of their companies, which were suffering from the negligence of the former regime, for organisational restructuring to improve their performance and to respond to those conditions. To do so, the top managers of the Iraqi industrial public sector companies evaluated and analysed the internal and external environments in which their companies were operating, built their perception of the strategic situation of their companies, generated the restructuring alternatives and finally selected the best possible choice of restructuring.

8.2 The Hidden Drivers of the Restructuring Choices of the Iraqi Industrial Public Companies:

Figure (8-2): The Reality of the Restructuring Choice-Making Process in the Context of the Iraqi Industrial Public Sector Companies



(Author's Own)

This section relies on the findings from three sources of data, the interviews with three decision-makers from the Iraqi industrial public sector companies and the Ministry of Industry and Minerals, the ethnographic interviews with five middle-level managers who participated informally and the field notes and research diary. In this section, I hope to shed light on the hidden parts of how the restructuring choices of the Iraqi industrial public sector companies were made and to create an understanding of the context of decision-making in the

Iraqi industrial public sector companies in general, and the Iraqi industrial public sector companies in particular.

Based on the initial findings of this study, the decision-makers of the Iraqi industrial public sector companies superficially appeared to be rational since they claimed that the internal and external environments of these companies were analysed, a number of restructuring choices were generated, the top managers played only a consultative role in the of restructuring choice-making process, the general managers selected the best restructuring choice that best fitted the company's needs and goals and that would improve its performance. However, what is actually was happening is that the performance of the Iraqi industrial public sector companies is continuously deteriorating which means that the selected restructuring choices did not achieve their goals. This also implies that, some of these facts, claimed by the participants, are puzzling. First, if the restructuring choices were rationally made, why was there no restructuring choice which met the requirements and expectations stemming from the internal and external conditions of these companies? Second, why was there no actual participation in the restructuring choice-making process? One possible explanation for this is that the personal and factional interests and goals (the abuse of power) played a hidden crucial role in the restructuring choice-making process in the Iraqi industrial public sector companies.

As a qualitative researcher, rather than demonstrating the relationships between variables, I seek to understand the phenomenon of restructuring in the Iraqi industrial public sector companies from the context in which these choices were made and to reveal the hidden interpretations and bring them to light. In this section, I focus on how the social and cultural values and practices surrounding the Iraqi decision-makers shape their managerial style and practices. I also explain how some of these practices influence the decision-making process in

general, and the restructuring choice-making process in particular, in the context of the Iraqi industrial public sector companies.

8.2.1 Social and Cultural Influences:

The results of the current study manifest that the characteristics of the Iraqi management style are a reflection of the characteristics of the Iraqi society and culture. Hofstede (2010) emphasise that organisations are embedded in social-cultural contexts and that the latter exert significant influences on organisational actors in terms of what they bring with them to their organisations such as patterns of values, beliefs, attitudes and social relationships and ties. Hofstede's study (1984), with about one hundred thousand participants across forty countries, including Iraq and five other Arab countries, found that managerial behaviour and practices and decision-making style are not separate from the social and cultural contexts in which the value system of the organisational actors is produced and shaped.

In line with the belief that management and managerial practices in the Arab organisation are unique and that they fit the characteristics of Arab society (e.g. Al-Faleh, 1987; Hickson & Pugh, 2001; Weir, 2005; Ali, 2009), the findings of this study shed light on organisational ties, loyalties, behaviour and the way of thinking and acting in the context of the Iraqi industrial public sector companies. I found that the social and cultural characteristics of the Iraqi society exert a significant influence on the Iraqi industrial public sector companies in terms of how top managers manage these companies. The results of the current study agree to a large extent with a previous research by Weir (2001) who found that the unique characteristics of Arab society and culture rise to constitute a different paradigm of management from the American, European and Japanese paradigms. The components of this paradigm are rooted in the Islamic, social and political system of Arab countries; therefore, this paradigm holds different ideas of democracy, equality, justice and participation from

those of the three above-mentioned paradigms. Moreover, the current study adds to these findings that these ideas are not fixed and the ways of thought about democracy, equality, justice and participation are formed within the framework of the Islamic, tribal, and political system of Arab society and reformed with essentially the same composition but with different influence sizes. Previous studies on Arab management (e.g. Hickson & Pugh, 2001; Ali, 2009) concluded that the major influences on Arab management and decision-making style are language, history, Islam, traditional tribal values and other external cultural values which western countries bring to Arab countries.

I relate the way in which the top managers of the Iraqi industrial public sector companies manage their companies and make their decisions to the characteristics of the Iraqi society, as described in Chapter 7. The current study found that the social and cultural value system of the Iraqi society creates an environment which is proper for the abuse of power that directly affects the process of decision-making in the Iraqi industrial public sector companies. Cialdini (1993), Stiles (2001) and Clegg et al. (2006) support this finding and state that it is the social influence that allows a decision-maker to use his or her position to advance personal goals at the expense of others. The results of the current study show that loyalty and commitment to close groups, priority given to personal relationships, patriarchal social relations, and the desire for prestige and self-importance that are deeply rooted in the Iraqi society led to the abuse of power in the Iraqi industrial public sector companies, which in turn influenced the way in which Iraqi top managers made their restructuring choices.

Loyalty and Commitment to Close Groups: The results of the current study clarify that the loyalty and commitment of the participating top managers from the Iraqi industrial public sector companies to the close groups of their families, tribes, sect, and/or political parties is far stronger than their loyalty to their companies. Barakat (1993), Weir (2001) and Hofstede

(2010) support this finding by stating that Arab culture, as a collectivist culture, is characterised by trust, loyalty and commitment as evidenced by the appearance of close groups. In the Iraqi society, family, tribe, sect, and the political party increase and extend their influence and power by helping their members to hold central positions of power in the governmental institutions. In return, these members have to serve the interests of those people who helped them in holding their positions. This finding is in line with Anwar et al. (2003) and Sabri (2004) who explain that it is the bounden duty of everyone to be loyal to his family and tribe and to serve their interests, goals and objectives when he becomes in a position of power or holds high responsibility within a private or public organisation.⁵ There is no doubt that this type of loyalty puts a huge pressure on decision-makers leading them to fulfil their obligations by taking advantage of their positions. This negatively impacts the overall performance and ability of the organisational actors as well as the value of decision-making and the freedom in making choices. Therefore, it is clear that if the loyalty to people who are outside the boundaries of the organisation is stronger than the loyalty to the organisation, it creates barriers to decision-makers in any attempt on their part to make decisions in the best interest of their organisation and creates an ideal internal environment for the abuse of power.

Giving Priority to Personal Relationships: The current study observed that the top managers of the investigated Iraqi industrial public sector companies gave priority to their personal relationships over organisational ties, goals and performance. Dorfman and House (2004), and Hofstede (2010) support this finding and state that the personal relationship between the members of the Arab organisation prevails over tasks and organisational

⁵In Arab societies, including the Iraqi society, the family, tribe, and sect do not exercise their influence to help their female members to hold influential positions of power in the private or public organisations. In patriarchal societies, such as Arab societies, males tend to dominate a large portion of society as well as the authoritarian power structures (Hofstede, 1984). Therefore the Arab family is characterised by the dominance of the male, who is the centre of the family and the ultimate authority in everything; the relationship between the male and the female is vertical, whereby the female is subordinate to the male (Sharabi, 1988; Dedaussis, 2004).

performance and that Arab management is a management of groups stemming from the Arab cultural and social background that has a collectivist orientation. In the Iraqi industrial public sector companies, managerial relationships and organisational ties are greatly influenced by the top managers' social position and their personal relationships and ties outside the environment of their companies. The participants in the current study seemed to have organisational ties that were an extension and reflection of their social relations. The findings of Weir (2001) and Hofstede (2010) correspond with this result. They found that in Arab organisations, the relationship between the members of the organisation is to a great extent perceived as a family relationship. Hence, their loyalty to their close groups is actually stronger than their ties to their organisations.

Moreover, it is widely recognised and agreed that one of the key characteristics of Arab management style, is that Arab managers give priority to personal relationships and considerations over organisational ties and over their responsibilities as decision-makers (e.g. Weir, 2001; Dorfman & House, 2004; Sabri, 2004; Ali, 2009). In Arab society, the personal ties between individuals are very strong and the family and tribal tie is given much more weight than the others. In other words, the evaluation of managerial capability and effectiveness in Arab organisations excessively relies on the social position and on the personal and familial relationships of the members of the organisation (Badawy, 1980; Muna, 1980; Bakhtari, 1995). In this context, the current study found that the responsibilities and duties in the restructuring choice-making process in the investigated Iraqi industrial public sector companies were divided and assigned based on personal relationships rather than managerial effectiveness and experience in the field. Khadra, (1990) and Ali (1996) maintain that in Arab organisations, high-level managers assign duties and responsibilities and delegate authority according to their personal relationships with their lower-level managers and/or according to their judgment on their subordinates' skills and efficiency, as a way to

maintain and strengthen their power over the organisation. Arab management style is characterised by a strict hierarchical authority, high bureaucratisation and a subordination of efficiency and effectiveness to personal priorities and relationships (Dorfman & House, 2004; Ali, 2009; Hofstede, 2010).

Furthermore, in Arab society in general, and the Iraqi society in particular, personal relationships influence the decision-making process through what is called “Wasta” which is the Arabic word for ‘favoritism’. Hutchings and Weir (2006) define “Wasta” as “an attempt to use the influence of relatives or acquaintances and personal relationships to achieve certain objectives”. The current study emphasises that Wasta plays a critical role in determining, hindering, influencing and facilitating decisions in many Iraqi public sector organisations. In the context of the Iraqi industrial public sector companies, this study could not be completed without using Wasta. When one goes there, one is more likely to behave in this way, even if it is against one’s own personal belief system, since the implementation of rules and regulations is arbitrary. Arab managers typically are inconsistent in their implementation of the rules, procedures and regulations since these managers are contingent to a great extent on the power of those who make them and their personality (Dorfman & House, 2004).

Wasta is, unfortunately, a social problem that is deeply rooted in Arab society. Sharabi (1988) explains this phenomenon in Arab society and states that Wasta is developed in this society through the role of the mother in the Arab family in which she plays the role of the mediator between the father and the other family members to achieve their requests. Then, it started to be practiced in social and organisational relationships by referring to those who hold powerful positions in the society and the organisation. Cunningham and Sarayrah (1993) emphasise that understanding this phenomenon in Arab society is the key to understand decision-making in Arab organisations. Wasta is one of the hidden forces that determine the process of decision-making in Arab organisations. It is utilised to facilitate or to impede

organisational decisions and to prioritise personal interests over the organisational interest (Cunningham & Sarayrah, 1993; Hutchings & Weir, 2006).

Patriarchal Social Relations: The findings of the current study are consistent with those of Hofstede (1984), Dorfman and House (2004) and Ali (2009) who argue that Arab management style is a strict patriarchal one, characterised by a high hierarchical authority and high bureaucratisation. The management of the Iraqi industrial public sector companies is a patriarchal management system in which men as a group run these companies, women occupy very subordinate positions and power is exclusively restricted to one or to a few top managers. As the Iraqi industrial public sector companies are part of the fabric of the Iraqi society, the patriarchal management system of these companies is a reflection of the structure of the Iraqi society. The structure of the Iraqi family is characterised by the absolute power of the father, who is the head of the family and its decision-maker, the subordination of the mother to the father and the subordination of the other members of the family to the father through the mother. The mother plays the role of the consultant and mediator and the other members of the family must obey the father and respect his wishes and decisions even if these decisions contradict their personal beliefs and interests.

Sharabi (1988) and Dedaussis (2004) support this view emphasising that the Arab family is characterised by the dominance of the father, who is the centre of the family and the ultimate authority in everything, the vertical relationship between the father and the other family members and the subordination of females to males. Sharabi (1988) further explains that the common form of communication in the Arab family is a downward communication (top-down) where information flows from the family patriarch to direct his family members and often takes the form of orders, instructions and warnings. The conclusions of the current study are also congruent with Barakat (1985) who contends that dependency is deeply rooted

in the Arab family, where the family patriarch is largely the breadwinner of his family and that this dependency leads to a high level of subordination which is the opposite of the democratic form of relationships among the members. Therefore, Arab people tend to be dependent rather than independent, tend to be obedient and accept the autocratic system and tend to concentrate on the mechanism of the coup, rather than on the mechanism of democracy.

The Love of Prestige and Self-Importance: The results of this study reveal that the participating top managers of the investigated companies were boastful and self-centred. They enjoyed talking about themselves and gave great importance to their own personal prestige. In this context, it is widely agreed that the key characteristics of Arab top managers which shape Arab management style are self-centeredness (e.g. Weir, 2001; Dorfman & House, 2004; Sabri, 2004; Ali, 2009) and love of prestige and self-importance (Sharabi, 1988; Gregg, 2005). In this respect, it can be argued that the roots of these characteristics lie mainly in the patriarchal system which is embedded in Arab social values and in the mores of the Arab family. The status of the father in the Arab family is usually much higher than that of the mother. The Arab father is expected not to be dependent on his family members, so that he can be the centre of the ultimate authority in his family. The process of decision-making which is used in the Arab family is characterised by the bureaucratic, top-down and absolute power of the father.

In the context of the organisation, prestige is derived from the exercise of power (Kipnis, 1972; Pfeffer, 1981). Thus, those holding the highest positions of the organisation have no inclination to share power. Prestige is also derived from the other organisational members positively perceiving an organisational actor based on his/her reputation and personal characteristics (Hambrick & Fukutomi, 1991; Finkelstein, 1992). In addition, the

current study found that the prestige of the participating top managers from the Iraqi industrial public sector companies stems from their social, political, religious and personal relations that have a high weight in the context of the Iraqi society, especially in the context of the investigated companies. Usually, according to Kipnis (1972) and Pfeffer (1981), such a prestige reinforces top managers in their positions and in seeking their personal gains and benefits, rather than the interest of their organisation (Kipnis, 1972; Pfeffer, 1981).

8.2.2 Personal and Factional Drivers:

It is clear that some of the social and cultural factors of the Iraqi society are critical in creating an ideal environment for the abuse of power and the prioritisation of personal and factional gains over organisational interests and goals. Many researchers (e.g. Pfeffer, 1981; Golden & Zajac, 2001; Combs et al., 2007) support this finding contending that the exercise of organisational power as an instrument to achieve personal preferences and goals requires an appropriate environment. Cialdini (1993), Stiles (2001) and Clegg et al. (2006) further explain that it is social influences that allow a decision-maker to use his or her position to advance personal goals at the expense of other organisational goals.

Undeniably, prioritising the loyalty to the family, tribe, sect, and/or other strong and close groups over the loyalty to the organisation has a negative impact on organisational performance. This type of loyalty puts a huge pressure on decision-makers requiring them to fulfill their obligations to these groups by taking advantage of their positions and influencing the overall performance and ability of the organisational actors as well as the value of decision-making and the freedom to make choices. According to Mintzberg (1983), power has the ability to affect either the strategic choice-making inside organisations or the organisational actions related to those choices. Research on power in the organisation (e.g. Weber, 1964; Pfeffer, 1981; Vredenburg & Brender; 1998; Clegg et al., 2006) support this

finding by stating that power involves the ability to influence the behaviour and actions of others, to influence the organisational choices and direction and to achieve personal goals through formal and informal means. Akella (2003) further accounts for the finding of the current study by explaining that power-holders can use their power to achieve individual and group gains by forcing other actors to attain these goals and objectives. In this sense, it is the powerful organisational actors who decide what is important and what is less important, what organisational goals to pursue, what actions to take and how to use resources to achieve these goals in a way that is not inconsistent with their personal goals and benefits. The top managers of the investigated Iraqi industrial public sector companies had the power to promote their personal goals and interests and influenced the restructuring choice-making process, the criteria used during the process and the manner of information processing.

The unofficial participants in the current study, in addition to some of the participating top managers, strongly believe that the restructuring choices of the Iraqi industrial public sector companies were made in a way that served the personal interests of some people both inside and outside these companies. Maitlis (2004) and Combs et al. (2007) explain how powerful actors can influence of the decision-making process in their organisations where their personal interests are involved. They also state that powerful decision-makers can shape organisational choices in their preferred directions by controlling key responsibilities of the decision-making process, the flow of decision-making information and the lines of authority among the organisational units and organisational resource distribution and allocation. Ravasi and Zattoni (2006) found that in pursuing their interests and goals, influential organisational actors adopt a variety of forms of political behaviour combined with the use of informal power to influence the decision-making process. It was observed in this study that this kind of behaviour was common in the chosen Iraqi industrial public sector companies where coalitions among organisational members were formed to support the powerful actors'

purposeful filtration of decision-making information, control over the vital departments of the company and setting of the goals and objectives of the company which served the personal and factional interests of the powerful actors, rather than the best interest of their companies. The powerful actors in these companies did all that ignoring other less powerful actors' criticism (e.g. Hambrick & Fukutomi, 1991; Ruigrok et al., 2006) and appointing their relatives and/or their political party members, who are completely loyal to them, in top positions to increase their influence on the company.

Moreover, the results of this study demonstrate that in the restructuring choice-making process, the participating top managers of the investigated companies exercised their power in areas that were beyond their capacities for the aim of pursuing their personal and factional interests and goals. In this context, their coalitions tended to be based on personal and factional ties of protection and subordination. In line with this finding, Krackhardt (1990) and Gargiulo (1993) found that in order to achieve personal gains and goals, powerful organisational actors informally create an organisational situation in which ties of personal obligations between organisational actors could be used opportunistically to affect the behaviour of other actors. The research of Wade et al. (1990) gives a similar conclusion making clear that the social influence is a way through which powerful groups of top managers can exert pressure and pursue their own purposes. Forming coalitions with other groups of similar values, interests and goals allows powerful actors to overcome the possible opposition to his/her strategic choices (Hackman, 1985; Hambrick & Fukutomi, 1991).

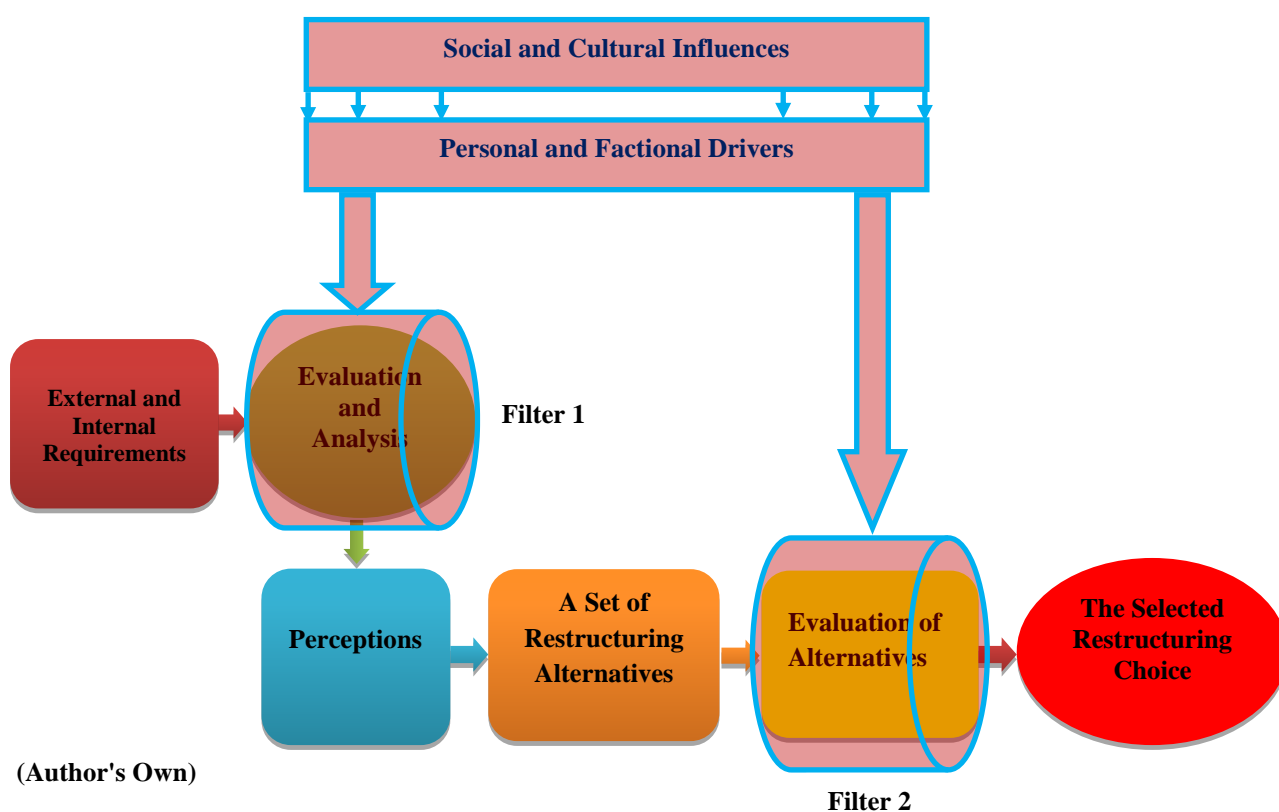
In addition to the social and cultural influences, the difficult situation that the Iraqi governmental institutions have encountered since 1980, beginning with the Iraqi-Iranian war, passing through the UN economic sanctions in 1990, the war of 2003 and the period thereafter has contributed to creating a proper atmosphere for the administrative and financial corruption in the Iraqi industrial public sector companies. This finding is consistent with

Vredenburg and Brender (1998) and Clegg et al. (2006) who argue that the abuse of power in the organisation specifically thrives when the organisation operates in difficult conditions and situations in which strategic decisions are often made on the basis of personal discretion and perception. Moreover, in line with this perspective, the participating top managers of the investigated Iraqi industrial public sector companies clearly and strongly emphasised that their restructuring choices were based on their personal perception of what was going on in the external environment of their companies and that they ignored any information that contradicts their experience and perception.

Thus, the result of this study suggests that the personal and factional goals and interests of the powerful actors of the Iraqi industrial public sector companies played a crucial role in determining the restructuring choice-making process in these companies. It could be argued that what was observed in this study is a form of domination that aims at ensuring personal and factional gains. Building on the above discussion, the next section demonstrates a deep understanding of how the restructuring choices of the Iraqi industrial public sector companies were made.

8.3 The Restructuring Choice-Making Process in the Iraqi Industrial Public Sector Companies:

Figure (8-3): The Restructuring Choice-Making Process in the Iraqi Industrial Public Sector Companies



This section is an attempt to collect the puzzles in the picture of how the top managers of the investigated companies made their restructuring choices. The figure above is based on what this study offered concerning both the visible and hidden mechanisms by which the restructuring choices of the selected Iraqi industrial public sector companies were made. This figure reflects the official story of how the top managers of the Iraqi industrial public sector companies made their restructuring choices as well as the hidden part of this story. It is a complete picture of what was going on in the investigated Iraqi industrial public sector companies during the restructuring choice-making.

The results of this study show that the restructuring choice-making process passed through two filters that determined this process and tightly controlled the flow of information during it. The main purpose of these filters was to maximise the personal and factional benefits of some powerful actors both inside and outside the investigated industrial public sector companies. Even though the context of western research on exercising power in the organisation (e.g. Hambrick & Fukutomi, 1991; Maitlis, 2004; Ruigrok et al., 2006; Combs et al., 2007) differs from the context of the current study, the western studies emphasise that powerful actors seek to maximise their own interest by forming coalitions to control the decision-making process. The current study concluded that these coalitions in the context of the investigated companies were confined to people belonging to the same family, tribe, sect and/or political party. This indicates how strong these coalitions are in terms of their control over the Iraqi industrial public sector companies in general, and over the restructuring choice-making process and its outcome in particular.

The story of restructuring choices in the Iraqi industrial public sector companies started after 2003 when the business environment of these companies changed dramatically. The Iraqi market started to be less dependent on the national industries, more open to foreign companies and more competitive. This situation put the Iraqi industrial public sector companies under a huge pressure revealing the necessity of these companies to adapt their strategies, targets and technologies in order to cope with these changes. The top managers of these companies realised that their companies could not continue to compete in the Iraqi market without restructuring. Thereupon, they decided to engage in restructuring activities, which, in most cases, involved building new facilities and production lines, transferring assets, merging existing facilities and production lines with each other and/or offering some of the facilities and production lines for investment.

To select the best possible choices of restructuring, the general managers of the Iraqi industrial public sector companies directed their management teams to analyse and assess what was going on in their business environment and their strategic situation in light of the radical changes in the Iraqi market structure. This step of the restructuring choice-making process, according to the participating top managers in the current study, aimed at discovering and identifying the external opportunities and threats and the internal strengths and weaknesses. However, this analysis was to some extent not reliable and was heavily influenced by the personal and factional drivers of powerful actors both inside and outside these Iraqi industrial public sector companies. I refer to this step as “filter 1” in the restructuring choice-making process, where the top managers of these companies filtered the information and facts in their preferred direction. There are two reasons for this unreliable analysis. First, the responsibilities and duties entailed by the restructuring choice-making process were assigned to the top managers of these companies based on personal (non-organisational) relationships rather than according to performance and efficiency criteria and formal organisational relationships. **Respondent C9** said: “The responsibility of decision-making in our company should be a shared responsibility, but that never happens in reality. The flow of information is informal. Only a few people are consulted and I do not know how the decisions of our company are made”. Second, the top managers of the investigated companies, who participated in this process in their companies, ignored any information that did not fit what they had already decided as the would-be outcome. Most of the participating top managers in the current study emphasised that in the analysis step, they ignored the information that did not fit their experience and knowledge while others stressed that the top managers of the Iraqi industrial public sector companies ignored vital information that contradicted their personal interests and goals.

Based on this analysis step, the top managers of these companies built their understanding of the strategic situation of their companies as well as their perception of how to respond to this situation, which was heavily influenced by how they perceived their personal interests in the strategic situation of their companies. Based on this perception, a set of restructuring alternatives were selected to move forward in the restructuring choice-making process and underwent an evaluation by the general managers of the Iraqi industrial public sector companies to select the best possible restructuring choice. I refer to the evaluation step of restructuring choice-making process as “filter 2” in which the general managers filtered out all the restructuring choices that were not in the best interest of themselves and their strong and close groups, and then selected the best possible restructuring choices that serve their personal gains and benefits, rather than the interest of their companies. **Respondent M2** pointed out that “the top managers of the industrial public sector companies selected the restructuring choices that were in their best interest, rather than the best interest of their companies”. He added that “the restructuring choices of these companies have failed to achieve their goals so far because some people inside and outside these companies have prioritised their private gains over the public interest”.

The figure above has presented a complete picture of what was going on in the restructuring choices-making process in the context of the selected Iraqi industrial public sector companies. It is the reality that helps us to improve the understanding of how strategic decisions are made in these companies, of the context in which the top managers of these companies operate and of the key elements that drive their strategic choices.

This chapter has offered an interpretation and discussion of the results of the current study in terms of their significance. It has explained the results in terms of the existing theories and research to show how these results help to build a foundation for understanding the decision-making process in Arab and Iraqi organisations in general, and the restructuring choice-

making process in the Iraqi industrial public sector companies in particular. In the next chapter, the final conclusions will be presented based on the research findings. In addition, the potential value of the study will be reflected on, its limitations will be highlighted and directions for future research will be given.

Chapter 9

Conclusions and Recommendations

In Chapter 8, the findings of the current research study have been reported. This study has attempted to look at the industrial public sector companies in Iraq within the context of decision-making with the aim of exploring how decision-makers at these companies made their strategic restructuring choices and what the key drivers of these choice were. This chapter provides an overview of the previous chapters. The final conclusions, in terms of the research questions and the purpose of the current research study, will be summarised. Moreover, the potential value of this study in relation to strategic choice-making research, as well as the practice and methodology of the study will be discussed. Then, the research process will be reflected on and the limitations of the study will be explained. Finally, this chapter concludes by giving recommendations for future research studies.

9.1 Overview of the Previous Chapters of the Study:

Chapter 1 has provided an introduction to the current study and the rationale for undertaking the study. The main research objective was to explore the key drivers of the restructuring choices of the industrial public sector companies in Iraq in order to develop an understanding of how these restructuring choices were made. This study will be of academic and practical interest to researchers who want to understand how strategic choices are made in the context of Arab organisations, in general, and in Iraqi public sector organisations, in particular. It will also be of interest to the Iraqi decision-makers who want to improve the reality of decision-making in the context of the Iraqi public sector organisations, particularly in the Iraqi industrial public sector companies.

Moreover, Chapter 1 has provided an overview of how there has been a shift in the direction of the current study for it to fit the reality of decision-making in Iraqi industrial public sector companies, in addition to an overview of the research methods employed in this study. Then, the chapter has been concluded with a brief description of the content of each of the chapters of this thesis.

The literature review of this study has been divided into four parts to provide a comprehensive overview of the existing literature and to make it easy for the reader to follow. Chapter 2 of the literature review has presented the basic theoretical concepts related to strategic decision-making, strategic decision-makers, external environment and restructuring as a strategic phenomenon. Chapter 3 has explored the existing literature to understand the factors which affect strategic choice-making. The three theoretical perspectives of strategic choice-making, namely the deterministic theory, the voluntaristic theory, and the managerial discretion theory, have been explained. Whereas deterministic choices reflect necessary responses to the environment, voluntaristic choices reflect managerial choices. As for the managerial discretion theory, it has attempted to reconcile the deterministic and the voluntaristic perspectives of choice-making and has suggested that the impact of decision-makers on choice-making varies and depends to a great extent on personal and contextual influences. Chapter 3 has aimed at providing the reader with the context from which this research study has emerged. After the fieldwork in Iraq, Chapters 4 and 5 were developed to fill the gap between strategic choice-making theories, which have been generated in western contexts and derive from western social and cultural influences and the reality of decision-making in Iraq that is heavily influenced by the Iraqi and Arab cultural and social beliefs. Chapter 4 has explored the use of power in the organisation. The chapter has offered a discussion of the concept of power, the conditions of using power, the models of power and the sources

of power in the organisation – with special attention to organisational abuse of power and its effects on the organisational performance. Chapter 5 has explored the characteristics of Arab society and culture, the manner these characteristics shape Arab management style and the reality of decision-making in Arab organisations and the way these characteristics contribute to creating an appropriate environment for the abuse of the organisational power.

As for Chapter 6, it has described the research process and the methodology which has been employed for the planning of and for conducting the empirical part of this study. It has explained the interpretive paradigm as the philosophical framework proper for developing an understanding of how restructuring choices have been made in the context of the Iraqi industrial public sector companies. This has been followed by a discussion of the interview analysis as the qualitative method suitable for this research, where the purpose is developing an understanding of and offering an interpretation of the phenomenon of restructuring choices in the context of the Iraqi industrial public sector companies in terms of the meanings which the top managers of these companies bring to it. Chapter 6 has also explained the criteria which were used when selecting the five investigated companies in this study. Moreover, the sampling strategies utilised in this study have been explained and an overview of the multiple data collection strategies employed – namely elite interviews, ethnographic interviews, field notes and research diary – have been explicated. Finally, the chapter has provided an accurate description of the manner in which I resorted to the thematic analysis of the interviews and field notes data, and it also has discussed my role as a qualitative researcher. The conclusion of Chapter 6 has presented an in-depth discussion of the ethical consideration and standards which the researcher has strived to adhere to in this study, in an attempt to enhance trustworthiness and present a rigorous research study.

In Chapter 7, the research data findings have been discussed in a thematic manner. It has explained two key themes that emerged from the qualitative data analysis employed by the researcher. Whereas the first of them relates to the role of business environment and the top managers of the Iraqi industrial public sector companies in the restructuring choice-making process of these companies, the second focuses on the hidden side of this process.

Chapter 8, for its part, has interpreted the study findings and situated them within the existing literature relevant to the study topic. Chapter 8 has been organised in accordance with the themes which have been identified in Chapter 7 of this study. It has interpreted the role of the external environment and that of the top managers of the Iraqi industrial public sector companies in shaping the restructuring choices of these companies. Then, the chapter has shed light on the reality of these choices and has concluded with an explanation of how these restructuring choices were made in the context of the investigated companies.

9.2 Conclusions of the Study's Findings:

This research has been conducted with the aim of exploring and describing the underlying drivers of the phenomenon of restructuring choice-making which has become common in the Iraqi industrial public sector companies since 2003. Thirty-nine top managers and five middle managers from five Iraqi industrial public sector companies reflected on their experiences of how the restructuring choices were made in their companies. In addition, four decision-makers from the Iraqi Ministry of Industry and Minerals reflected on their experiences of the process of restructuring choice-making in the Iraqi industrial public sector companies in general. The interviews show that there are two overlapping types of

drivers which have shaped the restructuring choices of these companies. The first type is “the visible drivers” according to which the restructuring choices were made to meet the changes in the business environment of the Iraqi industrial public sector companies. The second type is the “hidden drivers” like the fact that this strategic situation has been exploited by some of people inside and outside these companies to achieve personal and factional goals. The following sub-sections summarise the major findings of the study organised according to their relationship to each of the research questions.

9.2.1 Sub-Question 1: What was the role of changes in the business environment of the Iraqi industrial public sector companies in making the restructuring choices of these companies?

The findings of the current study suggest that the changes in the business environment of the Iraqi industrial public sector companies necessitated the need of them to engage in restructuring activities to improve their performance. I found that the changes in the external environment of these companies played an important role in generating the idea of restructuring in the Iraqi industrial public sector companies. The majority of the participating top managers of the investigated companies said that they realised that it was crucial for their companies to engage in restructuring actions as they could not cope with the radical changes in their business environment without changing their internal situations.

Most of the participants in the current study had the same point of view as regards the importance of the alignment between their companies' internal and external environment. They emphasised that the changes in the Iraqi market that occurred after 2003, attracted their attention to the strategic situation of their companies, and to the need for improving

the performance of these companies. Moreover, the participants in the current study strongly believed that the changes in the business environment of their companies had uncovered their inability to compete in their own market without developing their internal capabilities, and that the alignment of the internal situation of their companies to the changes in their business environments was the only way to ensure their companies' sustainability.

The results of the current study identified the key factors that shape the external environment in which Iraqi industrial public sector companies operate as: the foreign competitors, external stakeholders' goals and interests (the Iraqi consumers and the Iraqi government, represented by the ministry of industry and minerals), opportunities in the Iraqi market and security and the political situation of the country. In addition, in Chapter 7, it has been explained how the changes in these external conditions influence the competitive position of the Iraqi industrial public sector companies. There was a consensus among the majority of the top managers of the investigated companies that the restructuring choices of their companies were made in response to the changes in the key characteristics of their companies' business environment. After the war of 2003, things started to change dramatically. First, the comprehensive economic sanctions that had been imposed on the country since 1991 were lifted instantly. Second, the Iraqi market, which was dominated by the Iraqi national industries, changed to be open to a large number of foreign companies. Third, Iraqi consumers' needs, behaviour and preferences changed as their living conditions improved. Further, in Chapter 7, the external environment of the Iraqi industrial public sector companies has been described as dynamic, complex and scarce. It is dynamic because of the changes in the Iraqi market structure and factors; complex because of the number of factors that affect the

performance of the Iraqi industrial public sector companies and scarce because of the reluctance of the Iraqi consumers to accept the quality of the national industry's products.

9.2.2 Sub-Question 2: What was the role of the top managers of the Iraqi industrial public sector companies in determining the restructuring choices of their companies?

Participants reported that the changes in the business environment of their companies were only a starting point in the process of the restructuring choice-making. In their responses, they highlighted the significance of their role in shaping the restructuring choices of their companies. However, the interviews reveal that there was no actual participation in the restructuring choice-making process in the Iraqi industrial public sector companies. The participation in the restructuring choice-making at the highest level was mainly in the form of one-way consultations between the general manager and his top managers. The final restructuring choice, however, was always made by the general manager based on his own perspective and assessment of the strategic situation of the company and on what he heard from his top managers.

Moreover, the research has revealed that the general managers of the investigated companies were the central actors in the process of the restructuring choice-making of their companies. The general manager individually assigned the roles, duties and responsibilities to every top manager in his company based on his personal judgment of the top managers' efficiency.

9.2.3 Sub-Question 3: What was the role of the personal and factional interests of the powerful actors of the Iraqi industrial public sector companies in driving the restructuring choice-making process of these companies?

This study shows that the personal and factional interests and goals of the powerful actors of the Iraqi industrial public sector companies played a crucial role in determining the process of the restructuring choice-making in these companies. The unofficial participants and some of the participating top managers in the current study strongly believe that the powerful top managers of their companies have always made the restructuring choices that were in the best interest of their own personal gain, rather than the best interest of the company.

This study reveals that in order to achieve personal and factional gains and goals, the powerful actors of the Iraqi industrial public sector companies exercised their organisational power outside the scope of the authority that is given to them. These powerful actors informally intend to create coalitions in which ties of personal and factional loyalties which dominate their organisation's ties and which are opportunistically utilised to affect the behaviour of other actors. These coalitions play a major role in shaping the direction and action of the Iraqi industrial public sector companies. These powerful actors filter out the decision-making any information that contradicts their personal and factional goals, control the vital departments of the company and set the company's goals and objectives in a way that serves their personal and factional gains. The participating top managers of the investigated Iraqi industrial public sector companies emphasised that their restructuring choices were made depending on their own personal perception of the strategic situation of their companies and that they ignore any information that contradicts their experience and belief.

In the restructuring choice-making process, the powerful actors of the Iraqi industrial public sector companies under study always decided what was important to their companies and what was less important, what goals to pursue and what restructuring choices to make in a way that was in the best interest of their personal goals and benefits. These powerful actors have the power to prioritise their personal gain over the best interest of the company and to influence the process of strategic decision-making as well as its outcome.

9.2.4 Sub-Question 4: What was the impact of the Iraqi social and cultural context on the patterning of the decision-making behaviour of the top managers of the Iraqi industrial public sector companies in the restructuring choice-making process?

In the Iraqi public organisations, power mainly comes from political and tribal loyalties, rather than from holding a position in the organisation. The reason for this is that holding the position is often not on the basis of efficiency, but on the basis of partisan and sectarian quotas. Therefore, the Iraqi management style is heavily influenced by the characteristics of the Iraqi society and culture. To answer the above-mentioned question, this research has examined the relationship between some of the characteristics of the Iraqi society and culture and the way in which the top managers of the Iraqi industrial public sector companies manage their companies and make their decisions. Such a relationship gives a clear picture of the influences which the social values have on the Iraqi public organisations and their decision-making processes. In this context, this research has revealed that loyalty and commitment to strong and close groups (family, tribe, sect and political party), the priority given to personal relationships, patriarchal social relations, and the yearning for being prestigious and self-importance that are

deeply rooted in the Iraqi society and culture allowed the top managers of the Iraqi industrial public sector companies under investigation to exercise their organisational power outside the authority that their position afforded and influenced the way they made their restructuring choices.

In the Iraqi society, family, tribe, sect, or the political party plays an important role in giving power to their members. These strong groups expand their influence and power by helping their members to hold top-level positions in the governmental institutions, and those members, in turn, have to be committed to the people who helped them reach their positions within the organisation. Undoubtedly, this type of commitment and loyalty pushes decision-makers of the Iraqi public sector organisations to fulfil these obligations by taking advantage of their positions, which negatively impacts both the value of decision-making and their freedom to make choices. It creates barriers to them in their attempt to make decisions in the best interest of their organisation and creates an ideal internal environment for the abuse of power. The top managers of the Iraqi industrial public sector companies give priority to their personal relationships over their organisational ties. The managerial relationships are to a great extent informal and are often a reflection of the managers' social relations outside their companies. Investigating the restructuring choice-making process in the five chosen Iraqi industrial public sector companies, this study has led to the conclusion that responsibilities and duties in such companies are divided and assigned on the basis of personal relationships, rather than managerial effectiveness and experience.

Moreover, as the Iraqi industrial public sector companies constitute an integral part of the fabric of the Iraqi society, the management system of these companies is a reflection of the patriarchal nature of the Iraqi family and society. The Iraqi family, like any Arab family, is characterised by the absolute legal power of the father, who is the unique

decision-maker in his family. Under this patriarchal system of the Iraqi family, the mother and other family members remain subordinate to the father; the mother plays the role of consultant to the father and the mediator between him and his children, who must, in their turn, obey their father and respect his wishes and decisions even if they conflict with their personal beliefs and interests. Thus, the management of the Iraqi industrial public sector companies is characterised by a hierarchical authority, a high bureaucratisation, subordination of efficiency to social and personal relations and lack of actual participation in decision-making. In addition, the participating top managers of the companies chosen for this study showed self-centeredness when they enjoyed talking about themselves and giving great importance to their own personal prestige, the prestige which stems from their social and/or political affiliations that have a great influence on the Iraqi society.

In the Iraqi industrial public sector companies, the personal and factional goals are not to be achieved without the Iraqi social context that enables the top managers of these companies to prioritise their self-interest over the interest of their companies. The organisation is a sub-system of the larger society and what happens in the society is reflected in the organisation. Thus, as the cultural and social values of a society play an important role in shaping the members' behaviour and the relationships between them in an organisation, the social and cultural influences of the Iraqi society play a vital role in the control of the personal and factional interests and goals over the restructuring choice-making process in the Iraqi industrial public sector companies.

9.2.5 Reflecting on the Primary Research Question:

This research has been guided by the following primary research question: How were the restructuring choices of the Iraqi industrial public sector companies made? Since there was a significant lack of an empirical and a theoretical understanding of decision-making in Arab organisations, in general, and in Iraqi public organisations, in particular, the current study has resorted to various theories from the organisation and management literature, in addition to the social and cultural studies that have been done in some Arab countries and examined the characteristics of the Arabic society as a basis for understanding how restructuring choices were made in the context of the Iraqi industrial public sector companies under investigation.

This research has reached the conclusion that the restructuring choice-making process in the five investigated companies was determined by two personal and factional filters according to which the powerful actors of these companies controlled the process and through which they filtered the information from the internal and external environments of their companies. The powerful actors of the investigated Iraqi industrial public sector companies accepted only the information that was consistent with their personal interests and goals and dismissed any information that contradicted their personal gains as inaccurate or unimportant. In Chapter 8, Figure (8 - 3) demonstrated our understanding of this process and the key influences on it.

The business environment of the Iraqi industrial public sector companies has changed radically since 2003, when Saddam Hussein's regime fell in Iraq. It has become less dependent on the national industries and more open to foreign companies and imported goods. These radical changes in the Iraqi market has caused Iraqi national industries to encounter a great challenge, which made it obligatory for them to restructure and develop

their internal capabilities to cope with the new strategic situation of the Iraqi market. This was the starting point in the restructuring choice-making process in the Iraqi industrial public sector companies. To decide on how the Iraqi industrial public sector companies should restructure their internal capabilities and improve their performance, the top managers of these companies started with the analysis of the strategic situation of their companies and the assessment of their companies' strengths and weaknesses. At this stage of the process, the internal and external information have been processed in a way that ensures their preferred directions and that is not inconsistent with their personal goals and benefits. This step is referred to as "filter 1" in figure (8-3).

The outcome of the analysis of the internal and external environments was a perception of both the strategic situation of the companies and alternative courses of action. This perception was the reflection of the top managers' accounts of the reality, which they perceived it based on their personal interests, rather than the best interest of their companies. The final stage of the restructuring choice-making process, referred to as "filter 2" in figure (8-3), was evaluating the restructuring alternatives and selecting the restructuring choice of the company. This stage of the process was also heavily influenced by the personal interest of the powerful actors of the Iraqi industrial public sector companies where they selected the restructuring choices that serve their best interest over the best interest of their companies.

This is the complete picture of how restructuring choices were made in the context of the Iraqi industrial public sector companies. This picture illustrates both the visible and the invisible drivers that impacted the restructuring choices of these companies.

9.3 A Reflection on the Research Process:

The research topic of this thesis was chosen on the basis of both my scholarship requirements and my interest in decision-making in the Iraqi public sector organisations. As I am sponsored by the Iraqi government, which determines the research topic of each PhD candidate, I had to conduct the research in the field of strategic decision-making. This study was expected to broaden the knowledge of decision-making in Iraqi public sector organisations and of how strategic decisions are made there. At the early stages of the research, the goal was finding the answer to the research key question of how restructuring choices were made in the context of the Iraqi industrial public sector companies by resorting to the different theories of strategic decision-making.

As the fieldwork in Iraq progressed, it was realised that these theories had been formulated on the basis of the visible conditions and factors of decision-making in the organisation ignoring the dark side that may influence this process and its outcomes. As the main aim of this study was exploring the key drivers, factors and influences that shaped and determined the restructuring choice-making process of the investigated Iraqi industrial public sector companies, I believed that the objective of this research would not be achieved without researching and uncovering the hidden part of these choices. Rather than being merely immersed in book knowledge, I started to be engaged in real-life meaningful experiences. Furthermore, I increasingly became concerned with the depth of the social and cultural values of the Iraqi society and the influence they had on the decision-making behaviour in the investigated organisations. This was a truly worthwhile experience from which I have learned a lot.

The fieldwork was carried out in four reigns of Iraq for the period ranging between January, 2012 and May, 2012. The elite interview methodology involved conducting forty-three in-depth semi-structured interviews. The interviews were arranged with key

decision-makers from five selected Iraqi industrial public sector companies and from the Ministry of Industry and Minerals. However, despite the large number of these interviews, the picture which the top managers' interviews offered was not complete and did not make sense. The first few interviews revealed that in such a context, it would be impossible to understand how decision-makers made their choices only by using the elite interview as the main source of data. Consequently, the need for more sources of information in order to bridge the gaps in my understanding of the phenomenon under study and in order for this research to achieve its goal became clear. Therefore, I adamantly developed personal relationships with people inside these companies to establish trust and to listen to their stories about how restructuring choices were made in their companies and to document my observations of what was going on in the context of these companies.

Thus, the phenomenon under study was investigated from different angles and by using multiple sources of evidence. The first research data gathering technique was the elite interviews with thirty-nine key decision-makers who participated in the restructuring choice-making process of their companies in five Iraqi industrial public sector companies. Other interviews were conducted with four role-players responsible for monitoring and evaluating the performance of the public sector at the Iraqi Ministry of Industry and Minerals. The second source of data collected for this research was the stories of five unofficial respondents, middle-level managers working at the selected companies. The final source of data for this study included the field notes and research diary which played a central role in understanding the context in which the decision-makers of these companies operated.

It is worth mentioning that in the above-mentioned organisations, it was not allowed to use recording devices during any of the forty-eight interviews, so I relied on note-taking

to collect the data when conducting the interviews. As I was very keen to explore the context in which the respondents operated, it cost me a great effort to capture everything around me during the interview while I was simultaneously taking notes. Yet, I did my best to document what I heard and saw during these interviews. Before each interview, I wrote down my description of the context where I was waiting until the interviewee met me. At the end of each interview, I summarised for the respondent his responses to make sure that I had accurately transcribed the data and to see whether the respondent had anything further to add. As soon as I had left any interviewee's office, I wrote down the observations in the notebook before going back home. At home, I always read over what I had written and thought over what I had seen and heard to make sure that everything I had observed during the day was written in detail.

However, although conducting qualitative research in the Iraqi context is definitely a worthwhile experience, it is an extremely difficult task given the current conditions of Iraq. In such a context, the qualitative researcher needs to be fully aware of the nature of the society, the security situation and the problems of infrastructure and public services such as electricity.

9.4 The Limitations of the Study:

One of the important limitations of this study was the bad security situation in Iraq. The selection of the research population was to a large extent determined by security considerations aiming at the reduction of security risks. Hence, the researcher selected the Iraqi industrial public sector companies which are located in relatively less hazardous regions and tried to avoid the companies that are located in highly hazardous regions. The researcher also avoided the companies that are located in regions where the majority of the population belongs to a religious sect different from his. Moreover, as it was

significant to protect participants' identities by removing any information that would serve to identify those participants who might be harmed as a result of their participation, the methodology of this study could not be labelled as a case study research but rather it labelled as an interview analysis. In fact, conducting research in Iraq is a worthwhile experience, but it is not an easy one to achieve. It is a great challenge even for Iraqi academic researchers because it must be achieved in a highly stressful atmosphere requiring a deep understanding of the complexities of the situation in Iraq. My research diary and field notes reflected upon how I was struggling to achieve the goal of this study in such context (See appendix A for examples of the difficulties and challenges as captured in my field notes and research diary).

Moreover, an aspect that could have had an influence on the data collection and the findings of this study relates to the fact that digital recording was not allowed during the interviews, so I relied on taking notes to collect the research data. As I was interested in exploring and understanding the meanings of what was going on in the fieldwork, it required a great effort to capture everything around me while simultaneously taking the notes. However, I did my best to describe what I heard and saw during my fieldwork in five Iraqi industrial public sector companies and the Ministry of Industry and Minerals.

There is a lack of knowledge regarding how strategic choices are actually made in Arab organisations, in general, and in the Iraqi public sector organisations, in particular. Therefore, the resort to the choice-making theories and models developed in western countries did not help this research to development an understanding of what was being observed in the fieldwork in Iraq. The way the choice-making literature has theorised about and conceptualised how strategic choices are made was not completely appropriate or applicable within the Iraqi context. This lack of interdisciplinary knowledge has motivated this attempt to create a link between the cultural and social values of the Iraqi

society and the process of choice-making in the Iraqi industrial public sector companies. Further research and refinement is needed to build on this study and to further develop an understanding of this complex body of knowledge. Future research might take both the exploratory and descriptive research forms as is the case in this study. Any future more rigorous qualitative studies can draw on the experience presented in this work to find out more about the relationship between the social context and the decision-making behaviour in the organisation.

As the interpretations of the phenomenon under study were fundamentally based on the perspective of a limited number of participants and interpreted by the researcher, the generalisability of the findings of the study cannot be assumed. The main purpose of the study was to gain an understanding that will shed light on how strategic choices are made in the context of the Iraqi industrial public sector companies, and that will aid the decision-makers of these companies and of other Iraqi public sector organisations to improve the quality of their strategic decisions. An aim of this research is presenting the findings of this study to be used as an important starting point for future research on strategic decision-making in organisations in the Arab world particularly in the public sector organisations in Iraq. Another aim of presenting these findings is raising awareness of the social and cultural beliefs and values that people bring with them to the organisation and which influence the decision-making behaviour.

Finally, this study aimed at developing a model of strategic choice-making in the context of the Iraqi industrial public sector companies, a model which combines two conflicting schools of thought concerning how strategic choices are made, namely the deterministic theory and the voluntaristic theory. However, this study could not completely bridge the gap between these opposite perspectives due to many unexplored areas related to decision-making in the context of the Iraqi public sector organisations. These unexplored

areas need further research for a better understanding to be built before a model could be developed.

9.5 The contribution of the study:

This study has attempted to contribute to the body of knowledge in the area of strategic choice-making in three ways:

- The study has presented an empirical exploration of how the top managers of the Iraqi industrial public sector companies made their restructuring choices and the underlying drivers behind these choices. The value of this study lies in the fact that by conducting this research, the researcher draws attention to the very limited amount of research on strategic decision-making in the context of Arab organisations generally and in the Iraqi public sector organisations particularly.
- It also offered an investigation not only of the influence of decision-makers and the external environment (visible drivers) of the organisation on the process of strategic choice-making, but also that of the personal, social and cultural values (hidden drivers) that decision-makers bring with them to their organisations. This study revealed a potential impact of the social and cultural values of the context in which the organisation operates on how the top managers of this organisation make their strategic choices.
- In the context of this study, elite interviews, ethnographic interviews and the research diary worked together to provide a complete picture of the phenomenon of interest. It was not possible for the elite interviews to give meaningful interpretations and explanations since the picture top managers of the Iraqi industrial public sector companies painted was unfortunately, not accurate and did

not even make sense. The majority of the decision makers' responses were to a great extent superficial and inconsistent with the reality on the ground. It was evident from the first few elite interviews that it was necessary to find a data collection method that can bridge the gaps in understanding what was being observed in the fieldwork. Therefore, it was clear that using ethnographic methods might lead to a deeper understanding of the decision-making behaviour of the top managers of the investigated Iraqi companies. The combination of elite interviews, ethnographic interviews and the research diary added a great value to this research study in the sense that it re-integrated the theoretical information with the reality on the ground.

9.6 Recommendations for Future Research and Practice:

In light of the findings of this study, the following recommendations for future research and practice are made:

- As this study was only concerned with developing an understanding of how restructuring choices were made in the context of the Iraqi industrial public sector companies, further research in the same context could be undertaken to develop a model for this understanding, which can provide a clearer and more accurate picture of the restructuring choices in such companies and further deepen the understanding and knowledge that this study has offered.
- This study suggests that further research needs to be conducted in the context of the Iraqi industrial public sector companies to test the proposed influence of social and cultural values of the Iraqi society on the decision-making process, behaviour and quality.

- This study recommends similar studies to be conducted on other Iraqi public sector organisations to find out whether the same drivers, factors and influences which made up the picture of the restructuring choices of the investigated Iraqi industrial public sector companies are also evident in the other Iraqi public sector organisations since they are operating in the same conditions. Further research can deepen our understanding of the context in which the strategic choices of the Iraqi public sector organisations are made.
- Many scholars like Hitt & Tyler (1991) and Papadakis & Barwise (1997) have drawn researchers' attention to the problem of identifying the influential factors and determining the conditions in which strategic choices are made. In the past decades, there have been only two schools of thought concerning how strategic choices are made. The first school is based on the fact that the external environment of the organisation shapes its strategic choices. The second school is based on the fact that decision-makers play a critical role in determining organisational choices since they shape management's perception of the external environment of their organisations. Therefore, it may prove useful in terms of the strategic choice-making research to have studies focusing on aspects of social and cultural values and their impact on how strategic choices are made in contexts similar or slightly different from that in which this study was undertaken. Understanding the influences of the social and cultural values of societies on the decision-making behaviour in organisations of these societies may offer insights into providing further explanations and theories of how strategic choices are made.

- As there is a lack of studies on strategic decision-making in Arab countries, in general, and in Iraq, in particular, this study recommends filling this gap by conducting further research studies on this topic.
- Methodologically speaking, this study can be used as a guide by the researchers who are interested in conducting research in similar Iraqi settings where there are several difficulties which could arise during the research process.
- Practically speaking, based on the findings of this study, I concluded that the personal and factional goals played a significant role in determining and shaping the restructuring choices of the Iraqi industrial public sector companies. This finding may be very useful for the Iraqi government to move towards a more governance-based influence in which the government attempts to set the parameters of the decision-making within which the managers of the Iraqi public sector companies should behave, so that the personal and factional goals may have a limited chance to influence the final outcome of the decision-making process in the Iraqi public sector organisations. In this context, I recommend starting with addressing the problem of the sectarian and political quota system in these organisations. Moreover, in an attempt to enhance organisational loyalty and ties, it could be valuable to initiate awareness programmes to make the employees of the public sector in Iraq aware of the importance of organisational loyalty and ties in achieving the goals and values of their organisations and to motivate them to do so. I assume that these steps are necessary in order to ensure a real participation in the decision-making process and to improve the quality of the strategic choices of the Iraqi public sector organisations.

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Appendix A

Field Notes and Research Diary

Construction-Co:

The 1st of Feb, 2012:

This was the first interview in my fieldwork. I was a little bit worried because the interview with the Director of the Department of Finance was delayed as he was outside the company and forgot my appointment. I was thinking about the road trip from City A to City B because it cuts through the dangerous areas, especially at night. However, my waiting turned out to be useful when I met the first two unofficial sources of data. The first one was an accountant, who had held the position of the Director of the Purchasing Division at the Department of Finance and the other was an engineer and team leader at the Engineering Services unit at the Department of Planning and Production Control.

Eventually, I met the Director of the Department of Finance and he was friendly. He is about thirty-five years old and he has held this position since 2009. The interview took about fifty minutes. He was confused about some interview questions. Some interview questions were not clear enough for him, so I explained them for him and this was useful as it led me to rethink about some of my interview questions. After the interview I went to see the unofficial participants whom I met while waiting for the Director of the Department of Finance and we saved each other's mobile phone number. I decided to sleep at a hotel that night because I was exhausted and it wasn't secure to go back to City B.

The 2nd of Feb, 2012:

This morning, I went back to the company to meet one of the participants according to the appointment on which we had agreed yesterday. The participant was in his office, but his Office Manager did not allow me to enter because this participant was in a meeting. So, the Office Manager gave me another appointment on the 5th of Feb, 2012. When I was speaking with the Office Manager, I heard shouting coming from inside the participant's office. Later, I knew from my unofficial sources that the meeting was between this participant (a member of the Board of Directors), the Director of the Legal Department, and the Director of Planning and Production Control.

The 5th of Feb, 2012:

My respondent was in a busy environment where there were many people in the waiting room. I noticed that most of them were turbaned clerics. I was wondering what they all were doing there. It was clear from the face of the Office Manager that they were important people. After a few minutes, my respondent came out of his office with a turbaned cleric. Suddenly, everyone in the waiting room stood up, including me. Then, I understood that the turbaned clerics, who were in the waiting room, were associates of the cleric who was in a meeting with my respondent. I met the respondent two hours after the planned interview time. The interview took about one hour. My interviewee was open and eager to answer all the questions, but he was boastful and enjoyed talking about himself.

After the interview I went to see the accountant and the engineer to let them know that I was going to stay in City A this night. We met in a restaurant to have a dinner together and talked about the general situation in Iraq. I tried to find ways for establishing trust

and confidence between us, so I avoided speaking about anything related to the company in this meeting.

The 7th of Feb, 2012:

It was planned for me to see another member of the Board of Directors, but he left me a message with his Office Manager that the appointment had been rescheduled and put off until the next day. So, I went to see the Director of the R & D Department and asked him to participate in my research. We agreed to meet this afternoon at about 2:00 pm. He was extremely organised and a flexible person to work with. He had held this position since 2007. I noticed that his Office Manager had a significant influence to the extent that he attended the interview and that the Director was looking at him every now and then during his conversation. The interview took about one hour.

I decided to stay in City A this night because I have two interviews tomorrow and I want to prepare myself for them. The two unofficial participants visited me at the hotel and we had a cup of tea. They talked about the company from their perspective as employees and about their suffering in terms of their limited income and the difficulty of living in Iraq. Then, I found the opportunity to ask a serious and intended question, however in a funny way to absorb any unexpected reactions. So, I said: “What is your political party?” They said: “Our financial situation can become much better if we are in a political party.”

The 8th of Feb, 2012:

Today, I had two interviews. The first one was with one of the members of the Board of Directors and the second one with the Director of the Investment Department, who is a brother of the General Manager of the company.

At first, I was a little bit upset because of the lack of punctuality, but now I have become used to that situation. However, then the time for meeting my first interviewee came. This man was bearded and he always had a smile on his face. He greeted me with a hug that made me feel comfortable. He was a very kind and helpful person. The interview took about one hour.

My second interviewee was someone who had worked as a Machine Operator before 2003. I felt that he was a little bit worried about the purpose of the interview, about how I am going to deal with the information and about who will read them. I answered all his questions and told him that he was free in answering the interview questions which he wanted to answer and ignoring the ones he did not. In addition, I told him that he could end the interview at any time. His body language reflected his being uncomfortable. He rejected some calls and accepted others during the interview. The interview took one hour and a half.

The 12th of Feb, 2012:

This day was an important one as I met the General Manager of the company. I arrived on time, but my interviewee was outside the company. There were some people waiting for him. His Office Manager asked me some questions about life in the UK and other general questions. The General Manager, who seemed to be in his fifties, belongs to an influential

family in City A and he is a person with a high rank in one of the political parties. I felt that he was interested in my research and tried to do his best to answer my questions, but I noticed that he enjoyed talking about himself. He directed his Office Manager to facilitate my task in the company. The interview took about one hour and fifteen minutes.

This night, the two unofficial participants visited me at the hotel. I understood that the person, who was not happy with the decisions made in the company, was the Director of Planning and Production Control. I was told that he had always been at odds with the decision-makers in the company. So, I realised why nobody recommended him as a participant in my research. Accordingly, I asked the engineer to arrange an appointment with the Director of Planning and Production Control and to ask him if he would accept to participate in my research.

The 13th of Feb, 2012:

My interviewee today was an engineer, the director of one of the company's plants. He is relatively young compared to other respondents. He is in the mid of his twenties. Later, I was told that he was the son of the General Manager of the company. However, he was a very nice person and easy to work with. The interview took about one hour.

The 14th of Feb, 2012:

Today, I had an appointment with the Director of the Legal Department. My unofficial sources told me last night that he would not be an easy person to deal with. So, I prepared myself for this interview. When I met him, the first thing he asked me was providing evidence that I am a PhD student and sponsored by the Ministry of Higher Education in

Iraq. Before we started the interview, he had also asked me: “If your fieldwork is the Iraqi public companies, why do you study in the UK?” I said to him: “In a PhD research, the student investigates a phenomenon that he or she wants to understand in its real context. In this type of studies, the place where the research is to be written should not necessarily be the same place or the country of the phenomenon under study”. The interview took about one hour

This afternoon, I saw the Director of Planning and Production Control and we agreed to meet the next day after 1:00 pm. Then, I stayed with the engineer until he finished his work because he invited me with his friend, the accountant, to his home. They told me a story about the key driver of the restructuring choice in their company. The restructuring choice of this company was to offer some of its production lines for investment. They said that the investing company which was chosen paid a very high bribe to some personalities in the government and to the top-managers in this company. The accountant showed me the evidence consisting of some documents which he had obtained from his department showing that the chosen company’s offer was not accepted because it was not the lowest. As I understood, the selection of the restructuring choice in this company was influenced by partisan gains and personal gains. Overall, I think my unofficial interviews were very successful and it was really interesting for me to hear their stories and to understand more about the hidden drivers of the restructuring choice in this company.

The 15th of Feb, 2012:

This afternoon, had an appointment for interviewing the Director of Planning and Production Control, who was one of the persons in the office of my second respondent, when I heard shouting coming from inside the respondent’s office. My interviewee

is about fifty-five years old. He was open, honest and friendly. I felt that he had wanted to tell me more but he had not been able to do that officially. I could see it in his eyes. However, his answers, in addition to the unofficial story of the engineer and the accountant, uncovered one of the hidden drivers of the restructuring choice in this company. The interview took about one hour and fifteen minutes.

The Textile-Co:**The 16th of Feb, 2012:**

I went to The Textile-Co which is located in City B to arrange for the first interview appointment. I think my first meeting with the General Manager of the company was really useful. I introduced myself and my research in a good manner. He gave me the permission to come to the company at any time and to meet anyone I would like to meet, but without taking photos or recording the interviews.

The 19th of Feb, 2012:

Today, I conducted the first interview in The Textile-Co with the Director of Production Department. He was a little uneasy at first though I do not know why. I knew from his body language that he was not comfortable, but as the interview progressed he became gradually relaxed. During the interview, he asked me some questions like where I am from originally, how I got my scholarship and so on. I felt from his questions that he wanted to know if I am Sunni or Shiite. I think having this information made him more comfortable as we are from the same sect. At the end of the interview, he said: "Would you like to see me again?" I said: "I do not think so. That would be enough". The interview took about fifty minutes.

The 21st of Feb, 2012:

Today I had two interviews with two members of the Board of Directors. I met the first one at about 10:00 am. He was happy to share his experience and knowledge. The people

in the company call him Haji [...] which means a devout Muslim, who went to Makah for pilgrimage. Yet, after 2003, the Iraqi people in the governmental institutions used this title for people having a high rank or position. The interview took about one hour and forty-five minutes.

The second member of the Board of Directors was a young man in the mid of his thirties. I met him at 1:00 pm. Our interview was interrupted many times by his Office Manager either to inform him that some people wanted to meet him or to take the interviewee's mobile to make calls. Later, I knew that the Office Manager is the brother of my interviewee and this explained the informal relationship between them. The interview took about one hour and fifteen minutes.

The 22nd of Feb, 2012:

This afternoon I had an appointment with the Director of the Planning Department. He was a nice person when I had met him three days before in the office of the General Manager. According to my observations and my personal impressions, my interviewee is the closest person to the General Manger of the company. The General Manger called him ".....". Iraqi people use this word to show their respect for those people and to show their friendly relationship with them. It is also worth mentioning that this term is informal and was very rarely used in formal places. However, it became more common in the Iraqi institutions after 2003.

The 6th of March, 2012:

I had an interview with one of my respondents from The Textile-Co, but I could not conduct it due to the security situation on that day when eighteen car bombs exploded in

City B. Two of them exploded where The Textile-Co is located. I was heading to the company to conduct the interview when one of these explosions happened at about two hundred meters distance from me. It was an appalling scene to see people dying in the street, mothers looking for their children and children looking for their mothers.

The 8th of March, 2012:

Today's meeting was supposed to have taken place two days ago. But it was rescheduled due to the explosions.

However, I met the Director of the Marketing Department at 11:00 am. He is about forty years old. Before we started the interview, we had talked about the explosions that had occurred two days before and about the situation in Iraq. Then, I found the opportunity to talk about something that was on my mind. I said: "I think that all what is happening in Iraq is because of the dispute between the political parties". He responded saying: "But all the Iraqi parties are national parties and therefore cannot be the cause of what is happening". Thereupon, I commented saying: "Yes, I know that, I am not questioning the loyalty of those parties. But the dispute between them weakened the state and paved the way for administrative and financial corruption in government institutions" to which he replied as follows: "Yes, to some extent this is true, but now the state is strong and it has started to fight corruption. Our party will not allow anyone to steal the wealth of the country. However, let us start because I have a meeting at 1:00 pm". The interview took about one hour and twenty minutes.

The 11th of March, 2012:

Today, I had two appointments. The first was with the Director of the Administrative Department at 10:30 am and the second was with the General Manager 12:30 pm. I left home early this morning, at 7:30, to avoid the heavy traffic in City B. I arrived at 9:00 am to the company and was surprised to see that nobody was in the office of the Director of the Administrative Department though the working day starts at 8:00 am. When I asked a cleaner about this, he said: "This usually happens due to the traffic and explosions; do not worry, they will come". I waited outside the office until the employees started to come. The Director of the Administrative Department came at 12:15 pm. He said to me: "I have lots of delayed work, so you can either wait until I finish my work or come tomorrow morning. I replied saying: "I am going to interview the General Manager, and then I will wait for you". I met the General Manager at 12:30 pm. The interview was interrupted by visitors to the General Manager. The visitors were wearing the traditional Iraqi tribal dress and came to intercede for someone who wanted to return to his job in the company. I understood from their conversation that they were relatives of the General Manager.

I finished the interview with the General Manager at about 2:00 pm and went to wait for the Director of the Administrative Department. I met him at 3:00 pm. The interview took about fifty minutes. During the waiting period, I noticed that the employees were not busy with work. Some of them were busy chatting to each other, some others were playing mobile games or chatting with friends and others were eating.

The 13th of March, 2012:

This afternoon, the last interview in The Textile-Co was conducted. The Director of the Textile Factory was previously the General Manager of the company. I came on time, at

12:30 pm, but he was outside the company. I waited for him for thirty minutes and I asked his Office Manager who said that the General Manager was on the way. The Waiting took an hour now, so I asked the Office Manager again. He said that the General Manager had a meeting. Finally, I met the General Manager at 3:00 pm. He said: "Before we start, I want to ask you whether you are going to publish your interviews?" I said: "No, they are only for analysis purposes. I want to understand how restructuring choices have been made, so you have the right to stop the conversation whenever you feel uncomfortable".

The Ministry of Industry and Minerals:**The 15th of March, 2012:**

Yesterday, I tried to go to the Ministry of Industry and Minerals, but I could not due to the security situation in Baghdad. However, after suffering in the Ministry's reception for two and a half hours, they finally allowed me in the Ministry. I met the Office Managers of my four subjects and arranged my appointments with them. They were very helpful and we saved each other's mobile numbers to facilitate my entry to the ministry.

The 18th of March, 2012:

This morning, I conducted the first interview in the Ministry of Industry and Minerals. I met a department director in the ministry, who was one of the two recommended subjects by the Director of Planning and Production Control from the Construction-Co. The interview started as scheduled at 1:00 pm. I was so happy to meet this person. He was open to share his experience of how restructuring choices had been made in the Iraqi industrial public sector companies. The interview took about one hour. At the end of the interview, he said: "My door is always open, so do not hesitate to come and see me again if you need anything in the ministry or if anything else needs to be discussed regarding your research". The interview took about one hour.

The 19th of March, 2012:

At 2: 15 pm this afternoon, I met the second recommended subject by the Director of Planning and Production Control from the Construction-Co. He was a very modest and

serious man. He was not happy with the performance of the industrial public sector companies. I felt that he was looking for a way to give more information. This encouraged me to ask him to give me an example of a company that made a restructuring choice which he believed to have been based on personal gains. He said: "I cannot give you more information, but I think you get the message". The interview took about one hour.

The 20th of March, 2012:

This afternoon, I interviewed my third respondent from the Ministry of Industry and Minerals at 1:45 pm. He asked me if I had been told that the recording equipment was not allowed. I said: "Yes, I have been told that it is no allowed to record the interview". Then, he asked me about the name of my tribe and where I am from. When he knew where I am from, I felt he became more comfortable and open. I could feel that because the tone of his questions changed. He asked me some questions about life in the UK and how it differs from our life in Iraq. The interview took about one hour and fifteen minutes.

The 22nd of March, 2012:

This morning, I conducted my interview with the fourth respondent from the Ministry of Industry and Minerals, a Department Director at the ministry. I arrived on time, at 10:00 am despite the heavy traffic in Baghdad. The waiting room was full of people and the only seat left was beside a man wearing Arabic traditional clothes. After a few minutes, the man asked me: "Why are you here? And what is your business?" I answered him, but I said that I was a PhD student from Baghdad University. Then, I asked him: "What about

you? Why are you here?” He said: “I am a cousin of the General Manger and I have a private issue with him”. After a few minutes, the Office Manager approached him and said: “Haji, the General Manager is waiting for you” I met my subject at 11: 30 am; he is in his fifties. He was willing to share his experience and knowledge. He was interested in my topic. The interview took about fifty minutes.

Engineering-Co:**The 24th of March, 2012:**

At 2:00 pm this afternoon, I arrived to City C. I rented a room at a hotel in a street which is the heart of the city and the old commercial centre.

The 25th of March, 2012:

I went to the Engineering-Co to arrange for the interviews with the top managers of this company. The Office Manager spoke to the General Manager of the company and gave me the permission to conduct interviews with the top management of the company. Then, the Office Manager of the General Manger helped me to see the Director of the Quality Control Department and arranged for the first interview in the company. The Office Manager of the General Manger was really gentle. When he knew that I am from City B and I am staying at a hotel, he asked me to take his mobile number and to call him if I need anything.

The 26th of March, 2012:

I arrived half an hour before my appointment, so I went to have a cup of tea at the company's restaurant. I saw the Office Manager of the General Manger sitting with a group of employees at the restaurant. They were having tea and chatting. He invited me and introduced me to his colleagues. Then, he accompanied me with three of his colleagues to the office of the Director of the Quality Control Department, where my first interview would take place and said to me: "I will be waiting for you when you finish your meeting".

It was 2:00 pm when I met the Director of the Quality Control Department. In that capacity, he is responsible for the company's quality assurance systems. He has an experience of more than eight years in this field. He smoked too much. As the interview progressed, the office room was filled with smoke. When he felt I was uncomfortable, he opened the window and said: "If you are an Iraqi, you have to smoke; our life is full of problems". I said: "I think we are a part of the problem or even we are the cause of the problem". He exclaimed: "Can you explain more?" I said: "Let us take one example. How much money has been spent to improve the bad situation of electricity in Iraq since 2003? According to the official sources, the Iraqi government has spent about \$ 80 billion to improve the reality of electricity in the country. Yet, the government can't give the people more than four hours of power each day in the best situation". He commented saying: "You are right, let us finish the interview". He uttered that with his eyes clearly showing his discomfort with the subject. The interview took about one hour and ten minutes.

After the interview, I went to the Office Manager of the General Manager. He invited me for lunch. Then, he took me in his car to the hotel.

The 27th of March, 2012:

Today, I had two appointments. The first was with the Director of the Investment Department. He has held this position since 2004. I met him at 11:30 am in his office. He was happy to receive me in his office and tried to do his best to answer the interview questions. He was interested in the research and encouraged me to do my best in my research as the Iraqi companies need such studies. The interview took about one hour.

The second respondent was a member of the Board of Directors, who has held this position since 2008. I met him at 1:00 pm. He was friendly in his greeting. In the middle of the interview, while he was answering a question, he seemed to have remembered something and called his Office Manager to tell him something. He said: “..... may come to visit the General Manger. Let me know when he comes”. The interview took about one hour.

The 28th of March, 2012:

This afternoon, I had an appointment with the Director of the Engineering Utilities Department. He is an engineer and he has held this position since 2006. He was an engineer in the Department of the Quality Control before 2006. As I knew later, he is an influential person in the process of decision-making in the company. His influence is not because of his position as the Director of the Engineering Utilities Department, but because he is supported by a religious-political party. He appeared to be in his forties and he was willing to participate in the research. He did his best to answer my questions. The interview took about fifty minutes.

After the interview, someone came to talk to me while I was waiting for a bus outside the company to go to the hotel. The following was the conversation between us:

- He said: “Hi, I think I saw you at the company’s restaurant. I think you are the researcher”.

- Yes, I am. How are you?

- I am fine, and you? My name is ----

- My name is Mohammad.

- Where do you live?

-Actually, I am from Baghdad, but temporarily I am staying at AL- H hotel.

- Yes, I know it. How is your research going at our company?

- It is OK. Everything is going well. I just finished my interview with the Director of the Engineering Utilities Department.

- Yes, I know him. Did you finish your work at our company?

- Not yet, I still need more interviews to complete my work here.

- What is your research about?

- It is about strategic decision-making. I want to understand how the strategic decisions are made by your company and what the key influences on this process are.

- I would be happy to help you in any way. I will give you my mobile number because I would like to visit you at the hotel this night if you don't mind.

- You are welcome, it is my pleasure to see you again. This is my mobile number.

About fifteen minutes later, and on his way home, he called me to tell me that he will come to see me at 9:00 pm and asked me if it is fine with me or not. I said: "Yes, you are welcome anytime".

He came on time. He is a head of a group in the Development Division at the Department of the Quality Control. He is about fifty years old. The following is our conversation:

- I said: It is a pleasure to see you again.

- Thanks, it's nice to meet you again. How do you like our city?

- I like it. It is an amazing place. Actually, my father lived here, so I am not a stranger in this city. It is a great city.

- How long are you going to stay here?

- I do not know exactly. When I finish my work at your company, I am going to conduct some interviews in the Petro-Co.

- OK, are you going to publish your interviews?

- No, the purpose of the interviews is to improve my understanding of how strategic decisions are made and what the influences on these decisions are. For example, your company replaced the old production unities and equipment with new ones to cope with the changes that occurred in our country after 2003. So, I want to understand how this decision was made, why the company chose this decision, what considerations determined it and what drivers generated it. There are different opinions on this topic. Some people said that the external conditions surrounding the company such as the changes that occurred in our country after 2003 determined the selected choice. Some others believe that the top managers, with their level of education, experience, believes or even their personal gains, determined the selected choice. Others, however, have tried to bridge between these two points of view. So, I need to understand the situation of our companies in light of these points of view and to conclude what their model of decision-making is.

- OK, I see. So, what kind of information you are looking for.

- All kinds of information are valuable to improve my understanding of this issue.

- OK, I want to tell you something regarding the replacement of the old machines with new ones. The fact is that the new machines were manufactured in the 1980s. These machines were refurbished and bought as new ones.

- You confused me by this story. I do not understand how they can do all that. What you have just said is painful. Where is the government?

- The government could not do anything. These people are supported by parties which are stronger than the government.

The 29th of March, 2012:

Today, I had two appointments. The first one was with a Director of one of the company's plants. The interview started at 11:30 am instead of 10:00 am as he was outside the plant. He was a fortyish engineer who has held this position since 2007. When I entered his office, I noticed some photos of him with a party leader on the walls. These photos reflect his political affiliation. He was willing to share his experience and knowledge. So, he tried to answer all the questions as best as he could. The interview took about one hour.

The second respondent was a member of the Board of Directors. His Office Manager was praying when I entered the office. The interview started about an hour later than its actual agreed time. It started at 2:00 pm as the respondent was busy with other people in his office. He has held his position as a member in the Board of Directors since 2004. He is about fifty years old. He looked tired and asked his Office Manager to bring a Panadol tablet – headache relief – with a cup of water. I said: "If you are feeling tired, we can postpone the interview to another day". He said: "No, thanks. We are used to being tired of this work. The hardest thing is working with uneducated or unqualified people. I think, it is one of the major reasons why people in Iraq have heart attacks". He said that with smile on his face. I think, he meant the group of people who were in his office when I was waiting for him. The interview took about fifty minutes.

After the interview, I went to the Office Manager of the General Manager to make sure that my appointment with the latter will still be on time and to invite him for dinner as the 2nd of April, 2012 would be the last day of my task in this company.

The 30th of March, 2012:

This night, I met the Office Manager of the General Manager at a restaurant. He was in his forties and he was the cousin of the General Manager. I understood from his speech that he did not like the work in the company. He thought it was risky since there were conflicting interests of people both inside and outside the company.

The 1st of April, 2012:

This morning, I went with the Office Manager of the General Manager of the Engineering-Co to the Petro-Co to facilitate my task there as the Director of the Department of Finance and one of the members of the Board of Directors of this company were the relatives of the Office Manager of the General Manager of the Engineering-Co. So, my task was easy and I arranged for my first interview in this company on the 3rd of April, 2012.

The 2nd of April, 2012:

Today, I had the last interview in the Engineering-Co. My respondent was the General Manger of the company and he had held this position since 2006. I met him at 9:20. He was about fifty-five years old. It was easy to notice that his Office Manager [his cousin] has an influence on him. His Office Manager introduced me very well to him and said to him

jokingly “I will cancel all your appointments until you complete Mohammad’s work”. The General Manager was happy to receive me in his office and tried to do his best to answer my questions. The interview took about one hour.

The Petro-Co:**The 3rd of April, 2012:**

This afternoon, I had an appointment with a member of the Board of Directors, who is the relative of the Office Manager and the General Manager of the previous company. He was an employee at the Office of the Governor of City C from 2003 until 2006. Then, he became a member of the Board of Directors. As I understood from the Office Manager, this respondent is an influential person in the company. He has wide personal relationships with many people in the government. He is forty-five years old. He was willing to participate in the research. He did his best to answer all my questions. During the interview, the Office Manager of the General Manager of the Engineering-Co called him just to make sure that everything was going on well with me. The interview started at 1:15 pm and ended at 1:20 pm.

The 4th of April, 2012:

Today, I had two interviews in the Petro-Co. The first one was with the Director of the Department of Finance, who is the relative of the Office Manager and the General Manager of the Engineering-Co and the second one was with the General Manager of the company. I arrived twenty-five minutes earlier than my appointment time. I introduced myself to the Office Manager and he said that the Director was waiting for me. The Director greeted me with a big smile and said: "You are welcome. It seems that [...] is a close friend to you. He called me to facilitate your task in our company". After the interview, he accompanied me to the office of the General Manager to facilitate my interview with him. We entered to the office of the General Manager without taking permission from his Office Manager, who was only asked: "Is the General Manager in his office?" He attended most of my interview with the

General Manger. He left us only at the end of the interview because he received a call on his mobile phone. I think he attended the interview to facilitate my task and to show the General Manger that I am a close friend to him. In my opinion, this reflects his close personal relationship with the General Manger and his influence on him.

The General Manager has held this position since 2008. He is about forty-five years old. He was friendly and willing to share his knowledge and experience. The interview took about one hour and ten minutes.

The 5th of April, 2012:

As a result of the personal relationships of the Office Manager of the General Manager of the Engineering-Co, the interviews were conducted on time and it was so easy to work with the respondents of this company. It was 10:30 am when I met the Director of the R & D Department. He is around forty-five years old. He has more than a six-year experience in this position. Before he held this position, he had served as a researcher in the Department of R & D. He was interested in answering all the questions and sharing his experience. His body language demonstrated his boastfulness and the joy he took while talking about himself. He told me stories about his achievements when he was a university student and when he was a researcher in his department. The interview took about one hour and fifteen minutes.

The Office Manager calls me by phone every day to ask about my interviews and to ask how things are going. This night, he phoned me to invite me to a wedding of one of his relatives on Friday, the 6th of April, 2012.

The 6th of April, 2012:

This evening was very enjoyable. I attended the wedding party of one of the relatives of the General Manger of the Engineering-Co and it was very enjoyable. I saw all the staff of the two companies (the Engineering-Co and the Petro-Co) in this wedding. In addition, there were important people from the local government. The scene of the people in the wedding party was a strong indicator of how strong the personal relationships are between them. The wedding continued until 3:00 am. Everyone was so exhausted, including me.

The 8th of April, 2012:

Today, I had two interviews in the Petro-Co. The first one was with the Director of the Investment Department who is about fifty years old. I had met him three days before in his office to book an appointment with him. I had also seen him in the wedding night, so he was happy to receive me in his office. He tried to do his best to answer the interview questions. The interview started at 11:00 am and ended at 12:00 pm.

The second respondent today was a member of the Board of Directors. He was in Baghdad when I called him using the mobile phone of my friend, the Office Manager. He is about fifty years old. He has held this position since 2008. He was friendly and willing to participate in my research. During the interview, I could know from his voice that he was thinking about something other than the answer to my questions. He said: "How is your situation in the Ministry of Higher Education?" I said: "Good, not bad". Then, he said: "I know many people there, so if you want anything just tell [...] and I will be happy to help. Do you know? I miss the days of study at university. Those were the best days in my life. Life was simpler when I

was a student; all you had to think about was having fun. Nowadays, life has become more and more difficult". The interview started 12:30 pm and ended at 1:30 pm.

The 9th of April, 2012:

This afternoon, I met the Director of Utility and Services. He is about fifty-five years old. He has held this position since 2010. Before 2004, he was an employee in the Division of the Vehicles Services, then the Director of the Division from 2004 to 2010. He was enjoying talking about himself in plural expressions in a way revealing his desire to show the source of his power. The interview started at 12:45 pm and ended at 2:10 pm.

The 10th of April, 2012:

This day was the last day in City C. This morning, I met a Director of one of the company's factories at 10:30 am. He has held this position since 2006. He is an engineer and his age is around fifty. He had a silver watch on his wrist with a picture of a leader of a religious movement that reflects his affiliation. He was willing to share his experience and knowledge. The interview took about one hour.

After the interview, I went to my friend, the Office Manager, to thank him for all his help in facilitating my interviews. Then, I went to City B on the same day. I was not able to get much sleep because of a power outage at night in addition to the wet weather in City C. They were long and difficult but days, but in the end they were worthy.

The Rubber-Co:**The 11th of April, 2012:**

Early in the morning I went to City D. I arrived to Rubber-Co at 9:00 am. I introduced myself to the reception staff members who were happy to receive me. The Reception Manager asked me to wait for the permission to enter the company. After a few minutes, he came and accompanied me to the office of the General Manager. The Office Manager of the General Manager was very helpful and interested in my research. When I entered the office of the General Manager, I had no doubt of his strong affiliation to one of political parties. There were several photos taken in places like meeting rooms and halls. Moreover, on the wall behind him, there were some dated photos of him with dignitaries. The photos were arranged in a neat row.

However, I introduced myself to the General Manager and explained my research study. Then, I asked for his permission to be part of my research population. He was willing to do so and asked his Office Manager to set up a meeting between me and the Office Manager to schedule the interviews. After the meeting with the General Manager, I agreed with the Office Manager to meet in the afternoon of the same day whenever he would have enough time. So, I went to have a cup of tea at the company's cafeteria and to wait for him. After an hour, he came to me and said: "This is a list of the candidates matching your research criteria". Then he gave me his mobile number to contact him if I need anything. After that, I went back to City B.

The 15th of April, 2012:

This afternoon, I had the first interview in Rubber-Co. I left home at 7:00 am and arrived to the company at 11:00 am. The first interview was supposed to be with the General Manager,

but it has been postponed as the latter was so busy according to his Office Manager. As my home is about 180 km far from the company, the Office Manager suggested that I could interview the Production Manager instead of the General Manager. I welcomed his suggestion as it would save my time.

The Production Manager has held his position since 2005. He is around fifty-five years old. He was interested in my research study and did his best to answer the interview questions. He was talking about himself in the third person to give the impression that he was more important than he actually was. The interview started at 11:45 am and ended at 12:45 pm.

After the interview, I hired a taxi and asked the driver to take me to the best hotel in the city. I was so tired after a long day of work, and the weather was so hot (about 40 Centigrade). On the way, I planned to take a shower, eat, to transcribe the data that I got from the interview and the observation and then to go bed early because I need to wake up early for more interviews at the company. I arrived at the hotel and thought that it looked a good hotel where certainly a backup generator would be used when electricity would be cut off. To make sure, I asked the reception if they use a generator when the electric power is cut off. The receptionist said: "Yes, do not worry about that." However, the hotel's generator broke down after a few minutes of operation. The receptionist told us that it was difficult to fix it at that night. Accordingly, all the hotel guests, including me, slept on the roof of the hotel under the stars listening to the noise of generators that never stopped until sunrise".

The 16th of April, 2012:

This morning, I conducted an interview with a member of the Board of Directors. They called him Haji [...]. He has held this position since 2007. As I knew later, he had been the Office

Manager of the General Manager of the company for a few months before holding this position. He is about forty years old. He welcomed me warmly and was willing to share his experience. The interview should have started at 9:30 am, but it actually started at 12:15 pm, as he had been in a meeting of the Top Management Team of the company, and ended about 1:15 pm.

The 18th of April, 2012:

Today, I conducted an interview with the Director of the Investment Department. He is around fifty years old. He moved up through the ranks within the Investment Department until he was promoted to be the Director of this Department by 2008. I liked his office because it did not smell of cigarettes. He was willing to participate in my research and tried to do his best. The interview started at 10:20 am and ended at 11:15 pm.

His staff members were very friendly. One of them offered to give me a lift from City D to Baghdad as he was already going to Baghdad after lunch time. He is about thirty-five years old. He told me a story on our way back to Baghdad saying that he was one of the group of people who went to China a few years ago to contract with a company to provide and setup a new production line. He said that he was not happy with this contract, as the quality and specifications of the production line are not suitable when weather conditions in Iraq are taken into account. As a result, the new production line has stopped several times since it was started in 2010.

The 24th of April, 2012:

This afternoon, I had an interview with the General Manager of the company at 12:30 pm. I left home at 8:00 am and arrived about half an hour before the planned interview. The Office

Manager told me that the General Manager was holding an important meeting now, so he asked me to wait in the cafeteria of the company and he would call me when the General Manager would be ready for the interview. I asked whether I could stay in the waiting room until the General Manager had finished his meeting. He said: "As you like, but this meeting can take long. It may take an hour, two hours, or even more to finish". I said: "That's fine", but I was really upset because I knew that meant it would be a long and tiring day. After a couple of hours, the Office Manager called me and told me that the General Manager was waiting for me.

The General Manager is about sixty years old. When I entered his office, he was wearing glasses and watching the news on TV. He welcomed me and apologised for keeping me waiting. The interview started at 4:15 and ended 5:40 pm as we were interrupted several times by the Office Manager who wanted the General Manager to sign some papers and also by telephone calls. After the interview, I went to a hotel because it was late and I had two other interviews to be conducted the next day and the day after.

The 25th of April, 2012:

This afternoon, I had an interview with the Director of the R & D Department. He is around fifty years old. He has held this position since 2007. He was interested to participate in my study and to share his experience. As it was near the end of the working day, I felt from his body language that he was tired. Yet, he tried to do his best to answer all the interview questions. The interview started at 3:00 pm and ended at 4:00 pm.

The 26th of April, 2012:

This morning, I had an interview with the Director of the Marketing Department. He is around fifty-five years old. He has held this position since 2008. Before that, he occupied many positions in middle and high management levels in his company, including the position of the Director of the Department of Finance from 2004 to 2005 and the Director of the Investment Department from 2005 to 2008. When one enters his office, the first thing one notices is a large wonderful family tree hanging on the wall. He said: "It looks nice, doesn't it? This is my family tree". However, he was interested in participating in the research and in sharing his experience. The interview started at 11:15 am and ended at 12:05 pm.

The 29th of April, 2012:

This morning was the last day in my field work in Iraq and the day before the last day of my journey in Iraq. The interview should have started at 10:00 am, so I left home at 5:00 am and arrived about forty-five minutes before the interview time. My respondent has held the position of the Director of the Department of Finance since 2005. He is about fifty years old. He was willing to participate in my research and tried to do his best. The interview started at 10:40 am and ended at 11:40 am.

Appendix B

The Interview Schedule of the Iraqi Ministry of Industry and Minerals

To understand the key drivers of adopting restructuring as a strategic choice in the Iraqi industrial public sector companies
<ol style="list-style-type: none"> 1. What is your view on how the idea of restructuring made its way into the Iraqi industrial public sector companies? 2. Could you describe what prompted the Iraqi industrial public sector companies to adopt restructuring choices? 3. What are the considerations that have guided the Iraqi industrial public sector companies in making their restructuring choices? 4. What is your view on the key influences on the process of making restructuring choices in the Iraqi industrial public sector companies? 5. Tell me more if you think there are other factors which may have contributed to adopting the restructuring choices in the Iraqi industrial public sector companies.
To conceptualise the role of the upper echelons of the Iraqi industrial public sector companies in restructuring choice-making
<ol style="list-style-type: none"> 1. What is your view on the role of high-level industrial public sector managers in restructuring choice-making? 2. In your opinion, on which aspect of the external environment did high-level industrial public sector managers focus their attention in the restructuring choice-making process? 3. To what extent do you believe that restructuring choices have been freely made by high-level industrial public sector managers? 4. To what extent do you think that industrial public sector companies have reached the best possible restructuring-choices? 5. What do you think of how high-level industrial public sector managers deal with information contradicting their core belief, experience and knowledge?
To conceptualise the role of the change of different aspects of the external environment forces/variables of the Iraqi industrial public sector companies in determining restructuring choice-making.
<ol style="list-style-type: none"> 1. What has been going on in the Iraqi industrial public sector since 2003?

2. What is your own perception of the role of the change of different aspects of the external environment forces/variables of the Iraqi industrial public sector companies in determining restructuring choice-making in these companies?
3. What factors in the business environment of the Iraqi industrial public sector companies do you think have had the greatest influence on the restructuring choice-making process in these companies?
4. To what extent do you feel that the restructuring choices of the industrial public sector companies have been determined by the change of different aspects of their external environment forces/variables?

To explore the relationship between the restructuring choice drivers that made up the picture of choice-making in the Iraqi industrial public sector companies.

1. What is your own perception of where the role of high-level industrial public sector managers began in terms of the impact on the restructuring choice-making process in their companies?
2. What is your own perception of where the role of the changes in the business environment of industrial public sector companies ended in terms of the impact on the restructuring choice-making process in your company?
3. What is your own perception of how the picture of the restructuring choice-making in the Iraqi industrial public sector companies has developed?
4. In your opinion, what is the connection between high-level industrial public sector managers' freedom in selecting their choice and the appropriateness of this choice when considering the requirements of the changes in the business environment of their companies?

Appendix C

The Invitation and Consent Letter

**Department of Management; Essex Business School; University of Essex;
United Kingdom**

You are invited to participate in a PhD research conducted by Mohammad Abraheem under the supervision of Professor Christian J. L. De Cock (1st supervisor) and Patrick Hitchen (2nd supervisor).

Explanation of the Study and Procedure:

The title of the study in which you will be participating is “**Exploring restructuring choice-making, key drivers, influences and conditions: A qualitative empirical study of strategic decision-making in the Iraqi Industrial Public Sector Companies**”.

- 1- The purpose of the study is developing a model of choice-making that reflects the role of both managerial and external forces in making the restructuring choices of the Iraqi industrial public sector companies. By conducting this study, I hope to develop a better understanding of how restructuring choices have been made in these companies.
- 2- If you agree to take part in this study, you will be invited to participate in a semi-structured interview. The interview will be conducted by the researcher at a time, date and location convenient for you. The interview will take approximately one hour.

Research Participant’s Rights and Confidentiality:

- 1- You may ask any questions about the research procedures and these questions will be answered by the researcher.
- 2- Your participation in this study is valuable and greatly appreciated. It is completely voluntary and you may decline to answer any question you do not feel comfortable answering and discussing.
- 3- The interview will be strictly confidential and anonymous. For accuracy reasons, the researcher will request your permission to record the interview using a digital

recorder. If you do not agree to be recorded, the researcher will take written notes during the interview. The written notes and digital records of the interviews will be kept in a secure place and will be destroyed upon the completion of the study.

Consent to Participate in this Research:

I have read this consent form and agree to participate in this study. I understand that if, at any time during the interview, I feel uncomfortable answering and discussing a question, I have the right to refuse to answer the question and may even terminate the interview at any time if I feel necessary. That is, my participation in this study is completely voluntary.

Participant's Signature: ----- or (please tick if you do not want to sign)

Date: -----

Researcher's Signature: ----- Date: -----

